

JPRS-TAC-90-018

21 JUNE 1990



JPRS Report

Arms Control

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JPRS-TAC-90-018

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RENMIN RIBAO Reviews U.S.-Soviet Agreements

*HK0606011690 Beijing RENMIN RIBAO in Chinese
3 Jun 90 p 4*

[“Commentary” by staff reporter Zhang Qixin (1728 0796 2500): “A First Step”]

[Text] Washington, 1 June (RENMIN RIBAO)—On 1 June in the White House, U.S. President Bush and Soviet President Gorbachev signed a series of U.S.-Soviet agreements and issued three joint statements on arms control. One thing that merits attention is that they issued a joint statement on the treaty concerning the reduction of offensive strategic weapons, which confirms the basic content of the treaty that the two countries have agreed on and reveals that the two sides will continue to hold talks on those unsettled points, so that the whole treaty can be accomplished and submitted to the two countries' leaders for signing by this year.

The agreement on the treaty's main points between the United States and the Soviet Union is a result of the years-long negotiations between the two sides. It indicates that, in view of the current situation, the two superpowers are going to reduce their enormous stock of nuclear weapons, especially the stock of powerful high-speed ballistic missiles. This outcome is welcomed to a certain extent. But, at the same time, people cannot ignore the fact that the present treaty has many limitations indeed, and it is merely the first step taken by the superpowers toward nuclear disarmament. The U.S.-Soviet talks on reduction of strategic weapons, started in 1982, had undergone a long and complicated process before the U.S. and Soviet government heads could put forth their preliminary objectives on the substantial reduction of strategic weapons during the Reykjavik summit in October 1986. In the past two years or so, the two sides held many rounds of talks, repeatedly trying to iron out the principal differences of opinion between them on the strategic weapons reduction treaty. The present outcome was only achieved after painstaking bargaining.

According to the statement released today, the main points of the U.S.-Soviet treaty on reduction of strategic weapons are as follows: Within seven years, each of the two sides will reduce the number of their three types of strategic weapons carriers, namely, intercontinental ballistic missiles, submarine-launched ballistic missiles, and heavy-duty bombers, to not more than 1,600; will reduce the number of their warheads to the maximum of 6,000 pieces; and will reduce the payload of their missiles to not more than half the level that the Soviet Union is currently maintaining. The limit on the number of warheads prescribed by the treaty also applies to air-based cruise missiles with a range longer than 600 km, but each U.S. bomber carrying air-based cruise missiles is supposed to have 10 warheads, while each Soviet bomber is supposed to have eight warheads. On the other hand, the treaty will lay no restriction on sea-based cruise missiles with a range longer than 600 km, but the

two sides will disclose the number of such missiles deployed by each side in a binding policy statement, and the total number of such missiles owned by each side will not exceed 880. The treaty also bans all attempts to develop new-type heavy-duty missiles, new-type ballistic missiles armed with more than 10 warheads each, and so on. In addition, the treaty contains some articles on verification procedures.

The agreement on these main points of the treaty is the result of mutual compromise between the United States and the Soviet Union. In this regard, the Soviet Union has made more concessions than the United States. For instance, the Soviet Union has given up its request that the reduction of strategic weapons be linked with the ban on space weapons, which enables the two sides to concentrate on the discussion on the reduction of strategic weapons. As far as the quantitative limits are concerned, on the one hand, the Soviet Union agreed to considerably reduce land-based missiles and heavy-duty missiles—the two categories where the Soviet Union enjoys superiority; and, on the other hand, made concessions to the United States in regard to cruise missiles—the category where the United States enjoys superiority. After all, both sides have made compromises out of their own needs, and all these compromises would not substantially weaken their own position of strength. Specific provisions of the treaty are evidence of this.

Although the present treaty shows some progress as compared with the treaty on limitation of strategic weapons signed by the United States and the Soviet Union in the 1970's, limitations of this treaty are obvious when it comes to detailed content. First of all, the quantitative limits set by the treaty are still very high. As a consequence of the development in multi-warhead missiles and cruise missiles in the 1970's, the number of warheads owned by the two superpowers has doubled and exceeds 10,000 pieces on each side. To be sure, a reduction from this high level to 6,000 is a substantial one. But the amount of the two sides' warheads after the reduction still accounts for more than 95 percent of the world's nuclear weapon stock, which still constitutes an extremely great destructive force. What is more, the actual number of warheads owned by the United States and the Soviet Union will exceed by far the limit set by the treaty since the counting method prescribed by the treaty will give a figure less than the actual number. For example, each U.S. bomber actually can carry 20 air-based cruise missiles, but the treaty supposes each bomber carries only 10 warheads; each Soviet bomber can carry 12 air-based cruise missiles, but the treaty just makes it eight. Such being the case, many warheads will not be counted. Furthermore, some categories of warheads are not to be counted under the treaty. For instance, each side can deploy 880 sea-based cruise missiles; and a large number of missiles, cruise missiles, and other warheads will not be covered by the limit. In view of these exceptions, some U.S. nuclear weapons experts believe that the number of the warheads kept by the United States and the Soviet Union after the signing

of the treaty will even exceed the amount recorded in 1982, when the talks were just begun.

Secondly, the treaty will not terminate the superpowers' strategic weapon improvement and modernization plans. For the present, we see no substantial change in the nuclear strategies of the United States and the Soviet Union. The United States is still relying on the deployment of high-precision strategic weapons and the development of strategic defensive weapons for the maintenance of its strength. And the treaty will have little impact on this strategy. So the strategic weapons developed by the United States in the 1980's will basically not be affected. In other words, the United States can continue to produce cruise missiles, Trident submarine-launched missiles, B-2 Stealth bombers, and so on. As for the Soviet Union, although it has to reduce its large, land-based multi-warhead missiles, it still can continue to deploy mobile missiles and modern submarines, while expanding its deployment of bombers and cruise missiles.

Thus it can be seen that the reduction in the U.S. and Soviet stock of nuclear weapons would still be far from the goal of nuclear disarmament as expected by the world's people, even if the United States and the Soviet Union could iron out certain existing differences of opinion concerning the treaty through negotiations in the next few months. There is still a long way to go before a worldwide nuclear disarmament can be achieved.

RENMIN RIBAO Considers Future of NATO

HK1406062990 Beijing RENMIN RIBAO in Chinese
11 Jun 90 p 4

[“News Analysis” by Zheng Yuanyuan (6774 0954 0954): “Difficulties in ‘Transforming NATO’”]

[Text] Facing the profound changes that have taken place in Europe in the past one year, NATO has to give another thought to its own strategy.

The problematic relations between the two superpowers have evolved from confrontation to relaxation; East Europe is undergoing drastic changes; the Soviet Union has started to withdraw its troops from East Europe; and the Warsaw Pact is increasingly loose in organization. All these phenomena have set Western media to asking: Is NATO, an organization established on the basis of the cold war and bloc-to-bloc confrontation, still necessary? If yes, what is the new role it should play? Seeking answers to these questions, Western countries have now started various discussions on “transforming NATO.”

The deepest concern over this issue comes from the United States. After World War II ended, it was through NATO that the United States could possibly form close ties with West Europe. From the U.S. point of view, its continuance is “absolutely necessary” because only NATO can enable the United States to maintain its permanent control over Europe and give the former enough say in the development of Europe in the future.

Specifically, the United States is able to have all changes in Europe well in hand by coordinating different forces within NATO and exerting direct influence on German reunification and the changes in East Europe so as to safeguard its interests in Europe. President Bush clearly stated the above ideas in his recent talk on U.S. foreign policy. He said: “The United States should, in the broadest political, military, and economic sense, maintain its strong influence in Europe. Peaceful participation in European affairs is part of the U.S. commitment to the globe. Its foundation was, and will continue to be, NATO.”

Thereupon, the United States put forward the plan of “transforming NATO,” the core of which is to extend its function and enhance its “political content.” In other words, apart from formulation of policies on security and defense, NATO should pay more attention to and actively participate in all important decisionmaking that involves East-West relationship and European development. Furthermore, NATO should play a leading role in such decisionmaking and become one of the “main pillars” of the new pattern of Europe.

The proposal to “extend NATO’s political function” has met with resistance from some of the U.S. allies in West Europe. France and some other West European countries it represents hold that the EEC is more important than NATO and that a new Europe should have the EEC, not NATO, as its main body. President Mitterrand has time and again made it clear that “NATO is NATO,” and its function should not be stretched into the political sphere. A striking contrast came when Bush’s proposal to extend NATO’s function was cold-shouldered by France while approval was given to the proposal by Mitterrand and Kohl to establish a European political union at the special EEC summit meeting in Dublin. Quite obviously, West Europe has its own plan and is trying to develop on its own initiative. Though this European political union is unlikely to become a reality in the near future, the United States cannot afford to ignore this tendency toward independence because, once it comes true, it will, in effect, get in the way of the United States in its control over Europe. Therefore, the proposal to “transform NATO” involves the question of transforming the relations between the two sides of the Atlantic. The United States and its West European allies will become companions on a more equal footing; the role of the latter in the alliance will continue to expand; and one of the two pillars of NATO, the “European pillar,” will be further strengthened. This is the general tendency of NATO development and an item on the agenda of “transforming NATO.”

Another important thing to do in “transforming NATO” is to re-examine NATO strategy and work out a new one. German reunification will mean the disappearance of NATO’s “forefront” and will take away the ground for NATO’s “forward defense strategy.” The question that follows is: Will NATO’s unitary military formula and its deterrent strategy continue to work? This will lead to long controversies inside NATO. But there is one thing

we can be sure of, that is, before West Europe is strong enough to replace U.S. conventional and deterrent forces in Europe and before there is a significant decrease in the military power of the Soviet Union and the Warsaw Pact, NATO will only make adjustments to its basic strategy instead of abandoning it all together. In May, two decisions were made at the NATO defense ministers conference: The "Lance" [chang mao 7022 4243] short-range missiles and nuclear artillery will not be replaced; the plan of increasing defense expenditure at a yearly rate of three percent will be abandoned. These decisions indicate that NATO has made its first step in strategy readjustment.

The Soviet strong reaction to the U.S. proposal to "transform NATO" is quite striking. When interviewed recently by the U.S. weekly "TIMES", Gorbachev said in harsh terms: "NATO is the symbol of the past, the past that is full of danger and confrontations," and "for us, NATO is linked with cold wars and it aimed at opposing the Soviet Union from the very beginning," therefore,

the Soviet Union "will never agree to let NATO play a leading role in the development of a new Europe." What the Soviet Union advocates is to replace the existing system of alliances with an "pan-European security system." This is understood differently by different parties. West German Minister of Foreign Affairs Genscher supports this. While calling for establishing an "Atlantic Community," he also suggests NATO "opening to the trans-alliance complementary structure that constitutes safe cooperation among European countries." But former U.S. Secretary of State Kissinger warns that the "pan-European security system" is a prelude to the neutralization of Germany and Europe. Whether or not the "pan-European security system" diametrically contradicts the proposal to "transform NATO" and may weaken the role of, or even disintegrate, the latter is now the focus of attention. Observers point out that this depends on some currently unpredictable factors. So complicated and shifting are the internal and external conditions for "transforming NATO" that it is bound to be a process full of difficulties.

NORTH KOREA

Paper Says Pyongyang Close to Nuclear Capability

HK1806010690 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 17 Jun 90 p 7

[By James Adams in London]

[Text] The hardline communist regime ruling North Korea is on the verge of developing nuclear weapons, according to Soviet officials. They are alarmed it could lead to increased tension on the already volatile peninsula.

The Soviets have given the information to the United States, in another example of greater cooperation between the superpowers. They claim that the regime of Mr Kim Il-song acquired considerable expertise and materials from the former regimes ruling East Germany and Romania.

They also revealed that both countries assisted South Africa in its nuclear program, finally convincing the United States that Pretoria has the bomb.

Soviet officials said East Germany and Romania had sold enriched uranium and sensitive nuclear materials to North Korea and South Africa, forcing the United States to revise its assessment of North Korea's nuclear capability.

"The Soviet assessment was that North Korea would have nuclear weapons within six months," said one senior Pentagon source. "We think they may be a little premature, although not by much."

Until this information was handed over, the United States believed the North Koreans were at least five years away from possessing nuclear weapons, despite China's assistance.

Much of the sophisticated technology may originally have come from Western companies, using the two Eastern bloc nations as conduits to North Korea and South Africa.

Despite the revelations, both South Africa and North Korea have indicated they intend to sign the Nuclear Non-Proliferation Treaty soon, which will mean rigorous examinations of their nuclear programs to ensure materials are not being diverted for weapons.

But experts concede that the inspections may be too late because nuclear weapons could already have been stored. "If a country has already got the material to make bombs or has already made them, is it going to declare that to the inspectors?" asked Mr Leonard Spector, a nuclear proliferation expert. "The real problem is the stocks these countries already have, not what they might produce in the future."

The sharing of nuclear intelligence between the superpowers is a sign of the degree of Soviet concern about

nuclear proliferation. The Soviets have told officials in Washington that they are particularly worried about North Korea's nuclear program because they have little influence over Mr Kim's government.

North Korea is one of the few remaining reactionary Marxist states.

U.S. Urged To Respond to Disarmament Proposal

SK1706084490 Pyongyang KCNA in English 0811 GMT 17 Jun 90

[Text] Pyongyang, June 17 (KCNA)—Chong Chun-ki, chairman of the Korean National Peace Committee, in his statement June 16, strongly urged the United States and the South Korean authorities to show an affirmative response to the new disarmament proposal put forward at a joint meeting of the Central People's Committee, the Standing Committee of the Supreme People's Assembly and the Administration Council of the Democratic People's Republic of Korea.

Saying that the new disarmament proposal sets out detailed problems for detente and guarantee of peace from confidence building to the phased reduction of armed forces in the North and the South and its verification, the conversion of the Korean peninsula into a zone free from nuclear weapons, the stage-by-stage withdrawal of all foreign forces and guarantee of peace after the disarmament, he continued:

If the United States is truly interested in peace on the Korean peninsula and its peaceful reunification, it must not hesitate now to reduce its armed forces and nuclear weapons in South Korea and not evade negotiation with us any longer.

How one approaches our disarmament proposal is a touchstone showing whether one wants detente and peace on the Korean peninsula, or not and whether one wants peaceful reunification, or not, we may say.

Regrettably enough, however, the person in authority of South Korea cried thoughtlessly that "disarmament without verification is meaningless." He talks at random without so much as reading our disarmament proposal. This shows the woeful indiscretion of No Tae-u. It notably reveals his anti-national colour lacking willingness of disarmament or of peace and reunification.

The South Korean authorities should discard their old bad habit of fearing and avoiding disarmament and show an affirmative response to the disarmament proposal put forward by the government of our republic, though belatedly.

Chong Chun-ki expressed the hope that all governments and peace organisations of various countries of the world would take positive measures favourable to the realization of our disarmament proposal and continue expressing firm solidarity with the Korean people in their cause of peaceful reunification.

SOUTH KOREA

DPRK Shows Intent To Withdraw From Nuclear Treaty

Protest Over Safeguards Accord Cited

SK1606040990 Seoul Domestic Service in Korean
0300 GMT 16 Jun 90

[By correspondent Pak Un-won from Vienna]

[Text] North Korea revealed that it will withdraw from the Treaty on the Non-Proliferation of Nuclear Weapons [NPT] in case the United States does not ensure that it will not carry out a nuclear attack.

Facing a protest lodged by some 20 member nations including the United States against its failure to conclude the treaty on measures for nuclear safety, the North Korean side showed such intention.

Since North Korea took a hardline position to withdraw from the NPT under a political excuse, people are paying attention to how the discord between North Korea and the International Atomic Energy Agency over the treaty on measures for nuclear safety will come to a conclusion.

'Likely' To Sign Nuclear Safeguards Pact

SK1606071090 Seoul YONHAP in English 0648 GMT
16 Jun 90

[Text] Washington, June 15 (OANA-YONHAP)—North Korea is likely to sign the nuclear safeguards accord of the International Atomic Energy Agency (IAEA) by August, South Korean Science and Technology Minister Chong Kun-mo said Friday.

Chong said he knew the Soviet Union, worried by Pyongyang's refusal to enter the safeguards pact, had backed out of a deal to sell four nuclear reactors to the North.

Visiting Washington after participating in an IAEA meeting in Vienna, Chong said IAEA member countries, including the Soviet Union and East European nations, would adopt a resolution calling for Pyongyang to join the safeguard accords if it hadn't done so before a meeting on nuclear non-proliferation in Vienna scheduled for August.

"I heard that North Korea will join the accord by that time," Chong said.

INTERBLOC AFFAIRS

East Europe Leaders Cited on Pact's Future

*PM0806212390 Moscow PRAVDA in Russian 9 Jun 90
First Edition p 6*

[TASS report: "Constructive Basis. Political Consultative Committee Conference Participants' Assessments"]

[Text] 8 June—WARSAW: As expected, the work of the Political Consultative Committee conference was successful, President W. Jaruzelski of Poland has said on his return from Moscow. We believe, he went on, in the necessity of the continued existence of the Warsaw Pact, although it will have to be radically reformed. Its functions and structures must accord with the spirit of the times. In addition to its traditional function, the pact is increasingly becoming a political organization and simultaneously, and possibly to a decisive degree, a sphere of East-West dialogue. This is its new and very important function. In the past it has served to divide, now it must unite.

BUCHAREST: The Moscow conference of the Warsaw Pact Political Consultative Committee was the first such conference since the radical transformations in all the East European countries, in the context of the changes which are taking place in Europe as a whole. Therefore the necessity of adapting the Warsaw Pact in line with the changes which are taking place in the present-day world was at the focus of its attention, President I. Iliescu of Romania said here.

The necessity of transforming it from a military alliance into a predominantly political organization which would promote the processes taking place on the continent and expand the framework of ensuring security in Europe was discussed. This is, of course, a complex process which presupposes transformations within both alliances, a process which is also connected with the unification of Germany and the transformations in the political life of the continent's states, and consequently also with the need to create an integral base on the scale of the whole continent, the Romanian leader said further. This presupposes the creation of a new climate in the relations between all European states.

PRAGUE: The Warsaw Pact requires radical transformation because, in its present shape, it is a legacy of Stalinism when the armies of East Europe were essentially subordinated to the Soviet Army, President V. Havel of Czechoslovakia has said. This structure, he went on, is a reflection of the past, and change is long overdue. The Warsaw Pact has a specific role to play during the transitional period, but this role must have a completely new basis. We have believed from the very beginning that there is no sense in withdrawing from the Warsaw Pact. By withdrawing from this pact we would lose all influence on its future fate. This kind of withdrawal would essentially be an illusion of real neutrality. We believe that Czechoslovakia can become neutral only if the whole of Europe becomes neutral. Therefore, when

we were asked to take part in the Moscow conference we agreed immediately, although the timing was not very convenient for us.

BUDAPEST: We can count on a positive assessment by the country's parliament of the Hungarian delegation's work in Moscow, because its stance was correct and realistic, Prime Minister J. Antall of Hungary has declared. We regard as essential a review of the character and functions of the Warsaw Pact.

Bogachev Commentary on Pact Moscow Meeting

*LD1406093890 Moscow TASS in English 0909 GMT
14 Jun 90*

[By TASS military writer Vladimir Bogachev]

[Text] Moscow, June 14 (TASS)—If the system of blocs in Europe is discarded and replaced with new structures to maintain stability, most important European problems can be resolved, and the military-political status of a united Germany can be determined, states a declaration adopted at a meeting of the Warsaw Treaty Political Consultative Committee on June 7 in Moscow.

If the opposing military blocs in Europe are brought closer and if these alliances are reformed in connection with the Vienna and all-European processes, the associate membership of a united Germany in the two alliances would be viewed differently. Germany could serve as a bridge to ensure mutual understanding between the two blocs as long as NATO and the Warsaw Treaty exist.

At a meeting on 12 June the Soviet parliament expressed hope that the North Atlantic Alliance will adequately react to the declaration of the Warsaw Treaty Political Consultative Committee, aimed at overcoming military confrontation in Europe.

NATO has responded to the Political Consultative Committee's decisions. Participants in the two-day session of the NATO council in Turnberry welcomed the "positive spirit" of the Political Consultative Committee declaration.

For the first time the final document issued by leaders of NATO countries has not contained direct mention of the "military menace from the East". This singularly optimistic NATO assessment of international relations undoubtedly is a result of changes that have taken place in the world since 1985.

What is more, NATO foreign ministers proclaimed in Turnberry their readiness for "reasonable compromise" at the Vienna talks and said they instructed their delegations in Vienna to try new approach towards achieving mutually acceptable solutions. They also stated NATO's intentions to alter its military strategy. This is also an encouraging sign.

The session of the NATO council and the conference of the Warsaw Treaty Political Consultative Committee

were held almost simultaneously and discussed similar matters. Both forums adopted final documents reflecting the alliances' attitudes to the most important military and political problems.

The Warsaw Treaty countries pointed out that it is possible to discard the security system ensured by blocs and decided to transform their alliance. In the course of one year they intend to switch the emphasis to politics and to change the alliance's structure in accordance with the defensive doctrine that has already been worked out and endorsed.

It is not precluded that NATO and the Warsaw Treaty Organisation will exist for a certain period, perhaps a lengthier period than many expect now.

Warsaw Treaty countries have a right to expect that NATO will start a similar process and meet it half-way.

However, in Turnberry NATO ministers confirmed that the fundamental principles of the North Atlantic Alliance remain unchanged. The Parisian newspaper LIBERATION notes that many Western countries do not support NATO's becoming a purely political alliance. They insist that NATO should become the cornerstone of the new European order and that the functions of the Conference on Security and Cooperation in Europe supplement NATO's functions.

It is to be hoped that this is not NATO's last word about changing NATO's military structure and that the July session of the NATO council at the summit level, to be held in London, will adopt decisions to change the bloc's military strategy, shifting the emphasis to politics.

Warsaw Pact Defense Ministers' Communique

*LD1506174490 Moscow TASS International Service
in Russian 1626 GMT 15 Jun 90*

[Text] Moscow, 15 June (TASS)—A communique from the session of the Defense Ministers' Committee of the Warsaw Pact member-states was distributed here today. The text of the document follows:

"A sitting of the Defense Ministers' Committee of the Warsaw Pact member-states was held in Berlin, capital of the German Democratic Republic, on 14-15 June.

"Taking part in the work of the session were: Lieutenant General Y. Mutafchiev, deputy minister of national defense of the People's Republic of Bulgaria; L. Fur, minister of defense of the Republic of Hungary; R. Eppelmann, minister of disarmament and defense of the German Democratic Republic; Army General F. Siewicki, minister of national defense of the Republic of Poland; Colonel General G. Logofatu [name, title as received] deputy minister of national defense of Romania; Marshal of the Soviet Union D.T. Yazov, minister of defense of the Union of Soviet Socialist Republics; Army General M. Vacek, minister of national defense of the Czech and Slovak Federal Republic; Army General P.G. Lushev, commander in chief of the Joint

Armed Forces of the Warsaw Pact member-states; and Army General V.N. Lobov, chief of staff of the Joint Armed Forces of the Warsaw Pact member-states.

"In addition, the session was attended by representatives of the leading staff of the Warsaw Pact member-states' defense ministries and of the Joint Command of the Joint Armed Forces.

"The minister of disarmament and defense of the German Democratic Republic chaired the session.

"The participants in the session of the Defense Ministers' Committee exchanged opinions on the development of the military and political situation in Europe, and summed up 35 years of activity by the Warsaw Treaty Organization, and noted its role as a stabilizing factor.

"Stemming from the decisions of the Moscow (1990) conference of the Political Consultative Committee of the Warsaw Pact member-states, there was a consideration of questions relating to a review of the activities of the ministry organization and its radical restructuring, and the state of the joint armed forces and the areas for their improvement, with account being taken of their structure being given a strictly defensive character and of measures to reduce armed forces and conventional armaments, and the withdrawal of Soviet forces from the territory of allied states.

"The Defense Ministers' Committee stressed the importance of the Soviet-U.S. summit meeting, and the accords to reduce strategic offensive arms and eliminate chemical weapons. The results achieved at the Vienna negotiations on reducing armed forces and conventional arms in Europe were assessed positively and the joint view was expressed that these negotiations need to be speeded up.

"It was confirmed that thanks to the mounting level of trust between the Warsaw Treaty Organization and the North Atlantic bloc, a real opportunity arises for their relationship gradually to be given a non confrontational character and for their active participation in the development of the structures of the all-European security system.

"The Defense Ministers' Committee notes at the same time that this goal would be furthered if the trends toward change in NATO were accelerated and intensified, and if the decisions being adopted by it concerning changing the activities of the North Atlantic Alliance were to be put on a practical footing, something that would provide confirmation of sincerity and goodwill.

"It was stressed at the session that the Warsaw Pact member-states would continue to be guided in their military policy by a defensive military doctrine.

The Defense Ministers' Committee adopted appropriate decisions on the matters under discussion.

"The session passed in a business-like and constructive atmosphere."

CZECHOSLOVAKIA

Havel News Conference on Pact Summit

*LD0706221890 Prague Domestic Service in Czech
1647 GMT 7 Jun 90*

[News conference with the delegation led by CSFR President Vaclav Havel to the Warsaw Pact Political Consultative Conference in Moscow upon its return to Prague at Ruzyně Airport—live] txt

[Excerpts] [Announcer] We are reporting this from the old Ruzyně airport. President of the Republic Vaclav Havel, Prime Minister Marian Calfa, Foreign Minister Jiri Dienstbier, Press Spokesman Michal Zantovsky, and others have just arrived. A news conference about the Political Consultative Committee meeting of the Warsaw Pact in Moscow from which they have just returned is just starting.

[Unidentified moderator] Mr. President will now read a short statement.

[Havel] I am to read a short statement but I do not know whether it is not going to be long. If it is please start to protest. Czechoslovak peaceful initiatives which the government of the national reconciliation have been promoting since it took over have been explained many times: For example in my speech to the U.S. Congress, to Strasbourg, to the Council of Europe and a part of these initiatives was also an idea about the necessary transformation of Warsaw Pact. In its current form the Warsaw Pact is a heritage of the time of Stalinism in which the armies of Central and Eastern Europe are basically subordinated to the Soviet Army. In the case of a war two-thirds of the Czechoslovak Army would be under Soviet command. This entire structure is actually an expression of the past and it was clear from the beginning that something important must change, that the Warsaw Pact can play a certain role for a transitory period but that it must be quite a different role, supported by quite a different structure. We have believed from the beginning that it makes no sense to leave the Warsaw Pact. By leaving the Warsaw Pact we would lose any influence on its future destiny. Such a unilateral departure would create a sort of illusory, unreal neutrality, and we believe that Czechoslovakia can be neutral only when the entire Europe will be—in quotation marks—neutral. On the contrary, we believe that it is necessary to stay in the Warsaw Pact and to change it radically from inside. Therefore, we never considered a withdrawal and the idea of unilateral neutrality of Czechoslovakia or unilateral departure of Czechoslovakia from the Warsaw Pact can be—at most—a demagogical argument of someone or used in an election campaign, but it represents nothing realistic. Therefore, when we were sent a preliminary confidential request whether it would suit us to go to the meeting of the Political Consultative Committee of the Warsaw Pact in this time we immediately gave a

positive answer, although we had sufficient reasons to ask for a different time as this meeting was taken place on the eve of the first free elections after 54 [as heard] years in our country. Nevertheless, we have found it so important to take part in this meeting as soon as possible and to do our part in a radical transformation of the Warsaw Pact that we agreed to this date.

We tried to prepare well for this meeting. There was a draft of a sort of a colorless neutral communiqué saying nothing which, if adopted, would have meant that it was a sort of formal meeting out of inertia. It was clear to us that if this meeting was to take place in this quite new situation taking place in Europe now—when the majority of member countries of the Warsaw Pact or, to put it better, all of them, have started on the path of democracy and experienced in various forms their own revolution—that in this time it is impossible to continue only out of inertia. It seemed to us that on the contrary it was necessary to give this meeting a new meaning and a new content.

This is why at the end of last week we drafted our own proposal of the declaration which should be adopted at this meeting and which outlined a kind of plan for the Warsaw Pact transformation and a timetable for its implementation. We gave our proposal immediately to the disposal of the member countries, which started to discuss it and work on it intensively, adding to it and raising their own observations. Other events took place simultaneously, for example Premier Mazowiecki's plan—his proposal which is generally known—plus the Czechoslovak initiative to create a commission for security cooperation in Europe as an institution of the Helsinki process. At the same time, these two initiatives merged into one initiative, which was signed on the eve of this Warsaw Pact meeting by the participating countries: the German Democratic Republic, Poland, and Czechoslovakia. I mention this because it is linked also with the conception of the Warsaw Pact transformation.

In my view, the most important thing in our proposal was the thought that the Warsaw Pact should serve for a certain transition period as an instrument of disarmament talks, as a partner of the North Atlantic Alliance in these talks, that its political role should be strengthened and its military structure—the structure of subordination of the member armies to the Soviet Army or, to be more precise, to the Warsaw Pact Allied Command—should be weakened or altogether abolished.

The second important thing contained in our proposal was the said timetable specifying that the commission of government representatives would draw up by the end of October a precise plan for this transformation and this Political Consultative Committee, the habit of which is to meet only once a year and which would in this special situation meet for a second time, will meet again before the end of November, when it would approve that which will be drafted by the government representatives. The purpose of this kind of (a ?proposed) timetable was to synchronize it with the Helsinki process because, as you

know a summit meeting of countries participating in the Helsinki process should be held in Paris in the end of December. It seemed to us that it would be a good thing if the Warsaw Pact countries brought something new, this important contribution to this summit because by this they would create another prerequisite for all that which is in our thoughts—the creation of a new security system in Europe, which will evolve from the Helsinki process, a system into which the two existing alliances would in some way merge and fit—each of them in a different way thanks to the symmetrical nature of the situation.

Immediately after our arrival in Moscow, guided by the proposals of other member states, we intensively worked on our original proposal, we re-edited it again and afterward we handed it to experts at the level of deputy foreign ministers who worked on it throughout the night. It was not simple work, it was a fight for each word.

Meanwhile, our delegation was engaged in various bilateral talks; we held talks with the Polish delegation—Mr. Jaruzelski. Mr. Mazowiecki, we met Mr. de Maizière, prime minister of the GDR Government, and we met Mr. Goncz, president of the Republic of Hungary.

The group which worked on the final version of the declaration was working throughout the night and in fact till midday today. Czechoslovakia's side was represented there by Mr. Matejka, deputy minister of foreign affairs. He also now assumes the post of general secretary of the Warsaw Pact because it is Czechoslovakia's turn now. The next meeting, if it is going to be the November one, is to take place in Prague. This means that we are the host country and it is the habit that a citizen of a host country is always general secretary of the entire Warsaw alliance.

And now I probably should try to say [what I want to say] as quickly as possible because it was said that my introduction was going to be short.

Now perhaps about the course of today's session in general: It began at 0930 until 1100. President Gorbachev delivered an extensive report about the Soviet Union's stances, the general situation in Europe, the future of the Warsaw Pact, and primarily and above all he spoke about his talks with President Bush in Washington. After 1100 I took the floor by dint of the fact that Czechoslovakia will be the next host country. In my speech I delivered some other specific proposals—the proposals which the commission of the government commissioners should consider and use in its proposal for a new structure, function, mission, and new concept of the Warsaw Pact.

From among those proposals which I delivered the idea which perhaps deserves attention is that the staff of the joint command of the Joint Armed Forces should change into a coordinating group of the Warsaw Pact—a civilian and military component with not many personnel. It would be a consultative, coordinating body which would be in charge of preparing in some way the meetings of the

Political Consultative Committee and Committee of the Ministers of Foreign Affairs but which would not have the character of the joint command. Another issue was the renaming of the Committee of the Minister of Defense of the Warsaw Pact or Warsaw Treaty to the Military Committee which would be composed of the commanders in chief of General Staffs or deputy ministers of national defense and would be subordinated to the Committee of Ministers of Foreign Affairs.

I went on to repeat briefly in my speech the principled proposals of the German-Polish-Czechoslovak joint initiative which is aimed at some kind of institutionalization of the Helsinki process, which is aimed at making the Helsinki process grow into something more than it has been so far, at becoming a system of not only joint recommendations to governments but a system of contractual obligations, becoming the platform on which a new security system is built which could in some ways guarantee the security of a Europe undergoing a process of political integration.

Therefore, I presented a certain shortened report about this very fresh joint initiative of the three Warsaw Pact countries. At the same time I proposed a date before 15 July for the first meeting in Prague of the commission which is to prepare the new concept of the Warsaw Pact by the end of October and to be put forward to the Political Consultative Committee for approval.

After my speech I could even read here a part of the joint initiative, but in my view if you are interested in it then it is a question more suitable for our minister of foreign affairs who was one of the authors of this initiative, and of course it was also he who signed it on behalf of Czechoslovakia on the eve of the Moscow meeting.

After my speech, all the delegation leaders at the meeting spoke in turn. They made speeches in which, basically, all of them—although each in a slightly different way and with different accents—supported the basic idea of setting up a new security system in Europe as the guarantee of a politically more integrated Europe, and there were some nuances when individual speeches—perhaps I could cite the Hungarian speech—placed the accent on the problem of ethnic minorities, and in the Polish speech the accent was put on guaranteeing the borders, especially the Polish-German border. So there were certain nuances, but in essence all the member countries supported the basic idea, philosophy, or concept of the future Europe and primarily the (?basis) of its security system which would guarantee its united future.

In the afternoon, after a lunch at which appropriate toasts were pronounced, the meeting continued, and it wound up with the adoption of the declaration which you are probably aware of and which has been distributed to you, and which is the main and pivotal result of this meeting. Perhaps I should say that like any document that is drawn up as the work of many people, many parties, many groups—any collective document of this kind is always a little sensitive. This is the experience we

know from the work of Charter 77—that when something is written by one person, it has its own style, its own particular stamp, whereas when something is written by a lot of people together, then the characteristic sharp edges tend to be smoothed out, and a kind of text emerges which, although it expresses a general consensus, is also at first sight more amorphous.

So this joint declaration, in its final version, is truly the work of all. At first sight, perhaps, it appears a little amorphous, a little indigestible, but the main elements are contained in it, and anyone who can read will be able to read it for themselves.

Let me wind up this short introduction—as I imagine you will have further questions about details—by saying that we all agreed that the meeting was of historic significance, that it was probably the most important meeting in the history of this body, because it provided the stimulus for the Warsaw Pact, as I said myself in my speech there, to cease to exist in the form we know it, but without it being dissolved. It will probably continue to exist for a certain time as something different—as a tool for determining the new order in Europe, as a tool for disarmament, and as a kind of instrument for coordinating the integration of the countries of Central and Eastern Europe into Europe as a whole, and to a certain degree as a guarantor of a kind of stability in this troubled part of Europe. At the same time, perhaps I should also emphasize something which is probably obvious and which is stated in the declaration—that in its new transformed state too and particularly in that new state, the Warsaw Pact is, of course, based on the principle of absolute equality of all its participants, there cannot be the slightest element of subordination of one to another; it is based on the principle of the defense of the individual countries. It also gives a new definition to the potential enemy or, more accurately, the danger, it is based on the principle of constitutional approval of any sort of military act and so on, and that is perhaps obvious.

That is all I have to say in this opening report, and if you are interested in any further details, either I or my colleagues in the delegation will answer—probably them, because I have spoken long enough already.

[Moderator] Thank you Mr. President for your opening report, and because here, one day before the elections, I can see a whole series of unknown faces, let me introduce the participants of the news conference who are here and are otherwise generally wellknown in this country. Sitting on my right is Federal Premier Marian Calfa, to the left of the president is Federal Deputy Premier and Foreign Minister Jiri Dienstbier, to the right of Mr. Calfa is National Defense Minister Miroslav Vacek, to the left of Mr. Dienstbier is Deputy Foreign Minister Mr. Zdenek Matejka who, as you have heard, is also the new general secretary of the Warsaw Pact as of today, and as evidence of this high post, he is showing you the seals of the Warsaw Pact.

If I can inject a note of humor at this point—this is the whole power of the Warsaw Pact and its general secretary [laughter]. Here, if you please, is one stamp—rubber [laughter], and one seal—metal [laughter], and this little bag to put them in [laughter].

Finally, right at the end of the table on the right hand side is Jiri Krizan, one of the president's advisers. One technical point—please speak up when you ask your questions, because the interpreters cannot hear very well [laughter], well not in this room anyway. Also, after this long and tiring day, we do not have very much time for questions, so we must restrict ourselves to about a quarter of an hour. Your questions please?

[passage omitted]

[Unidentified journalist] What about the bilateral agreements between the individual Warsaw Pact member states—are you also striving to have them cancelled, because if they remain [words indistinct] the existing structure of the Warsaw Pact; that is one question, and my other question is to Defense Minister Mr Vacek: how many Czechoslovak soldiers are currently studying in the Soviet Union, how many officers?

[(?Foreign Minister Jiri Dienstbier)] We have replaced the 1970 agreement with the Soviet Union by the declaration signed by Presidents Havel and Gorbachev in Moscow at the beginning of this year, and we are reviewing the agreements with the other East European countries, because neither we, the Poles, the Hungarians, nor the rest are interested in continuing to maintain the validity of bombastic agreements about eternal friendship which led to nothing. We want to cooperate in very specific ways. We are making long lists—a joint inventory—of the agreements which we are going to cancel, there are such a lot of them that it is going to take some time before it all happens. We have agreements with all these countries, in fact, and some of these agreements have already been cancelled, but there are so many of them that it is going to take all of us some time to sort it all out.

[Defense Minister Miroslav Vacek] The Czechoslovak Army sends officers every year to the Soviet Union for studies—let me say not only to the Soviet Union, because we have reciprocal agreements under which, for example, about 10 officers of the GDR National People's Army study at the Military Academy in Brno, and on the other hand a similar number of our officers study in the GDR. There is also an exchange with the Polish Republic, and we also train some officers of the Hungarian Army. To the Soviet Union, we send officers on short courses, and also for regular and post-graduate education. As for specific figures—at the moment I would put it at around 300 people, but I would like to point out in this context that certain things are essential because the Czechoslovak Army uses our own equipment, but also equipment from the Soviet Union and

other Warsaw Pact states. This means that, for example—and this accounts for the majority of the courses—it is essential for our officers to attend these courses in the Soviet Union.

[Unidentified journalist] This is Czechoslovak Radio: There is a report that there is to be a meeting this month of the ministers of national defense. What do you intend to (?discuss there). [words indistinct]

[Vacek] It is true that there is going to be a meeting of the committee of ministers in the full line-up; that means that the delegation heads will be the ministers of national defense of the different Warsaw Pact states. As for the program—I do not want you to think that I am trying to duck this question—as a result of the deliberations of the Political Consultative Committee, the program will probably be partly amended to discuss some of the issues dealt with today. You will find out more after the meeting of the ministers ends.

[Havel] As for the question addressed to me, we had a meeting this morning at which we talked with Mr Yeltsin for about an hour over breakfast at our embassy. It was a very interesting and very intensive talk. Mr Yeltsin explained to us his ideas about the future status of the Russian Federation, about the system of bilateral agreements which he would like to enter into as Russian Soviet Federated Socialist Republic president with the other republics of the Soviet Union, and primarily with the Baltic republics; he spoke about the relationship between the Russian Federation and the Soviet Union or Soviet leadership, and a whole lot of other things. We agreed on the possibility of bilateral agreements between the Russian Federation and the Czechoslovak Republic, and I also invited Mr Yeltsin to Prague.

[Unidentified journalist] Mr President, can I please ask you if you also spoke about the future role of the GDR and its possible transfer into the NATO pact?

[?Dienstbier] This is a very complicated question, as you know, and we could spend two hours talking about it. Let me restrict myself to saying that most of the Warsaw Pact countries agree to Germany's membership of NATO, its membership in some kind of firm structure, with the proviso of course—and here a whole variation of different options is possible—that this part of Germany will not be occupied by NATO armies, or that Soviet troops will remain there for a certain transitional period, but will gradually withdraw; you know yourselves how many different kinds of options there are, and Gorbachev and Bush also recently discussed some of them just at their summit, and therefore we cannot go into these now because there is really a wide spectrum of different options under discussion today. The important thing is—and this is agreed by all parties these days—that Germany should be united in such a way that it does not lead to any destabilization, and that on the other hand the unification of Germany becomes the driving force, the motor for setting up all-European structures

and working out a new concept of security in the whole zone from San Francisco to Vladivostok.

[question in English, fading into translation into Czech] A question for the president—my name is (?Corring). I'm with THE GLOBE AND MAIL of Canada—do you think that following this Warsaw Pact meeting there should be reciprocal action by NATO, by that I mean either a statement or a change within NATO?

[Havel] [partly swamped at first by interpreter's voice] As you know, in (?summer) there is to be summit of the North Atlantic alliance which is to discuss changes in its doctrine, and it seems to me that what we have done and what NATO is preparing to do is in some sort balance. Of course the faster we, for our part, progress and the further we go, the further we can expect NATO to go too.

[unidentified journalist, in English, fading into Czech translation] I am (?Chita Green) United Press: Mr President, was there an agreement between you, Doctor Bartoncik and Deputy Interior Minister Jan Ruml that Dr Bartoncik has done something wrong, and can you tell us something about Mr Bartoncik's state of health at the time you met him?

[Havel] I did not make any kind of official agreement. On this issue, which really does not interest me very much, I would make one comment: I have known Federal Deputy Interior Minister Jan Ruml for many years as a man who is utterly unbiased, objective, incorruptible, honest and decent, whose attitudes and work are guided solely by his conscience and by the facts.

[(?press spokesman Michael Zantovsky)] It is time to end, so we will give the last question, as always, to a lady, yes please?

[unidentified female journalist in English, fading into Czech translation] My question is to Mr Havel: What is Czechoslovakia's economic future going to be, its economic system? Will it be a mixed system, a capitalist system—if these words have any meaning at all any more, I don't know—and do you intend to join the European Community and if so, what is your timeframe?

[Havel] As for our economic future, Czechoslovakia wants to be a state with a prospering economy, that means an economy based on a market mechanism, it wants to be a socially just state, if you want to call it communism, socialism or capitalism, that is your job, not ours. If you want specific details or a specific timeframe for economic reform, then I refer you to the policy statement to be made by the government which emerges from the free elections. I have no doubts that it will contain a clear timeframe for specific steps to revive our economy, or to be more accurate, to build it on the ruins which we have inherited.

[?Zantovsky] Ladies and gentlemen, thank you for your attention, and goodnight!

Soviet Soldiers Withdraw From Sumperk

*LD1206131790 Prague Domestic Service in Czech
1030 GMT 12 Jun 90*

[Text] A group of 20 bomb-disposal experts from our army arrived on duty at all three locations in and around Sumperk from which Soviet troops withdrew in the past few days. Soldiers are also guarding the Sumperk barracks, consisting of 52 buildings, which were handed over to the National Committee on Monday. Their future has not yet been decided.

According to (Ivan Kroupa), deputy chairman of the town National Committee in Sumperk, the damage caused by the military staying in and around the town amounts to more than 38 million korunas [kcs], and ecological damage worth some kcs 10 million has to be added to this.

HUNGARY**Soviet Troop Withdrawal Continues on Schedule**

*LD1106165190 Budapest MTI in English 1538 GMT
11 Jun 90*

[Text] Budapest, June 11 (MTI)—The withdrawal of Soviet troops from Hungary is continuing according to schedule. Colonel Gyorgy Keleti, spokesman of the Hungarian Army, also said that 12 troop trains and seven freight trains left the country last week, bringing to 223 the number of Soviet military trains that have crossed the border. This is 16.5 percent of the 1,352 trains required for the complete withdrawal of the Soviet troops, staff and military technology, stationed in Hungary.

Antall on Pact, Poland

*LD1106222890 Budapest Domestic Service
in Hungarian 1805 GMT 11 Jun 90*

[“First-hand Information” phone-in program, presented by Correspondent Henrik Havas, who puts listeners’ questions to his guest, Prime Minister Jozsef Antall, in Antall’s National Assembly building office at 1630 GMT 11 June—recorded]

[Excerpts] [Havas] Good evening. The First-Hand Information program today has a single guest, Premier Jozsef Antall. If the quality of the broadcast leaves something to be desired, that is because instead of the usual Brody Sandor Street studio, this time the scene of the recording is Parliament House, to be more precise the premier’s office. From this morning right up until five o’clock this afternoon [1500 GMT], with the exception of the lunch-break, listeners have sent us 115 questions by telephone, and if I reckon that an average conversation lasted five minutes, then I can say that they were asking questions practically non-stop. And I ask that you not telephone any more now during the program, because, I must tell you this, we are starting the conversation at half past six in the afternoon [1630 GMT] with Jozsef Antall, who at

the time of the broadcast I believe will already be sitting in the HDF [Hungarian Democratic Forum] Presidium session. Am I right?

[Antall] Yes. And up until now I have been sitting in parliament and I have had other discussions.

[Havas] Does your working day always contain so much?

[Antall] Well, generally they start with the morning phone calls at about half past seven, and generally I finish at midnight or two a.m. In the past weeks I have not been finishing the working day much before that.

[Havas] Before I ask you the listeners’ questions, we must discuss a few actualities. Let us perhaps begin with the fact that last Thursday in Moscow, at the session of the Warsaw Pact Political Consultative Commission, you drew the world’s attention to yourself with several things. First of all, I am thinking of your proposal according to which one should be dealing not with the Pact’s modernization but its general re-examination. Did you expect your raising this to draw so great a reaction?

[Antall] Well, naturally, we expected it. On the one hand, the Hungarian National Assembly already dealt with this issue when it decided whether it should debate the question of our leaving the Warsaw Pact with urgency or not. This topic had been raised by Miklos Vasarhelyi. Since then, on the issue of our leaving the Pact, the Hungarian parties, at least the parliamentary parties, have been united in principle. The National Assembly decided to examine this issue, to send out an appropriate committee from foreign political, legal, and military viewpoints. Therefore, when we went at the invitation of the Warsaw Pact Political Consultative Committee, we went in possession of the stand taken by the Hungarian National Assembly.

The other thing that arises here is that withdrawal from the Pact is, for Hungary, also a historical, symbolic question, since in 1956 we proclaimed our leaving. Naturally, from the viewpoint of international law, this is in principle debatable, since this was not...this was a unilateral leaving. However, we adhere to this in principle. Now, at this discussion, we took the stand that following the 1956 principled stance of the Hungarian National Assembly, we submit to the Political Consultative Committee our belief that Hungary should leave the Pact; on the other hand, this must not be carried out unilaterally, but through discussions, and the appropriate standpoint must be evolved during the discussions.

The formal approach to this was that we did not create the impression that we considered this to be a sustainable, existing, organization, still suited to functioning, since if we democratize it, or modernize it, or I don’t know what we do with it, then we would have been creating that impression. For this reason we took the stance in the agenda—and I was chairing the morning part of the session—right at the point of the agenda I

modified the formulation in the submission saying that here we shall modernize, etc., democratize, [and I put it] this way: an exchange of views on the Pact's character, function, and role, and about its eventual radical alteration.

[Havas] With this proposal of ours, however, it seemed that we were a little bit left on our own. Only Czechoslovakia took a standpoint at least similar to the Hungarian one, but not in everything.

[Antall] It was not in this that we remained alone. They adopted this. They did not adopt it in the course of the preliminary discussions, even the foreign ministerial conference did not adopt it a few minutes before the opening of the plenary session. The other delegations did not adopt it in the preliminary discussions and did not strive to adapt to it. In spite of this, on the other hand, this is how I opened the session, and there Gorbachev nodded to it: Yes, they will adopt it. I immediately asked if anyone had any objection to this. There was none. Thus, we declared this in a resolution. That is how it got onto the agenda, and its significance was also that with this—this went through the process of the discussion—that we propose its re-examination. So, this gave a framework right away.

In the afternoon session, I was able to deliver my speech, which contained the fact that Hungary wishes to leave the Warsaw Pact, and that in our judgment, by the end of 1980 [corrects himself] 1991, under any circumstances, the Warsaw Pact's military organization ought to be abolished. Now then, this naturally has its timetable. To this belonged our proposal to form a council of ambassadors which would re-examine the issues surrounding the Warsaw Pact, and at the same time we would decide that already beginning 1 January we also would take a series of measures in the interest of this.

[Havas] Excuse me for interrupting, but naturally that is what I meant just now, that we remained alone in this, according to which the military organizations...

[Antall, interrupting] Yes, it was, in fact, in this that we remained alone, that no one had formulated leaving the Warsaw Pact in this form. Only we announced that under any circumstances we are in favor of leaving the Warsaw Pact. Now then, leaving the Pact, after all, is not such a simple question, obviously. And the fact that in this, that we alone announced it in this form, shows that this issue cannot be settled simply with a proclamation.

First of all, it has to be taken into account, in the matter of leaving the Warsaw Pact and of its timetable—in which we are determined, that it has to be prepared by December—and that the Vienna troop—well, in actual fact disarmament, troop reduction talks—have to be taken into consideration. We must not endanger that because in the event that we did endanger it, with that everybody would turn, as a matter of fact, against us, and they would not understand our standpoint.

The other issue is that the Helsinki summit meeting will convene—that, too, must be taken into consideration—where we will take a stance in accordance with this.

The third thing is the German issue. It evidently influences the standpoint of the GDR and the FRG, that they would not like to endanger the process of German unification in any way. So, that also must be taken into consideration.

Finally, we had to take into consideration the Soviet troop withdrawal, thus, that process as well, and for this very reason, the whole thing. This is such a complex issue, and if we take into consideration that the Soviet Union presently is asking from us a sum of 2.5 billion rubles, in parallel with the troop withdrawal, for the installations left in Hungary, which is more 50 billion forints, then this is a fairly substantial amount. We took the standpoint that we do not recognize this. On the one hand, the environmental protection damage caused by the Soviet Army, apart from this the use of the buildings... I will not go into details now. So, this is a complex issue. At all events, also in this issue, just as in Soviet-Hungarian economic relations, a committee will examine it and then submit it.

Now then, I do not think that in the last resort we shall remain alone in this. Already the Czechoslovak...[corrects self] already the German, the East German, defense minister, the disarmament and national defense minister, has stated that in this issue they...how they will...that they too support the Pact's dissolution. The Czechoslovak delegation also came close to this standpoint, although as a matter of fact they too declared differently, first of all in Prague, to my knowledge, even on the day of the elections. I have actually just now been informed about it. In fact, everybody was expecting that the world would receive our standpoint more negatively, and until then they did not support us. But the Soviet delegation also took notice...cognizance of it; Gorbachev also assured us of his understanding, of his standpoint. And well, President Bush, too, in his preliminary letter, gave what was rather a briefing about what they had discussed with Gorbachev, which was very useful, because thus I was acquainted in advance with the whole discussion.

[Havas] I was about to ask this. You had received a three-page letter from President Bush on 5 June, and President Gorbachev had also informed you about his discussions. What I would be interested in is whether there were any marked differences in the two interpretations.

[Antall] In fact, both emphasized their understanding of each other, both emphasized to what extent they agreed on the German question. Naturally, the difference was that in his letter Bush stressed that they support NATO membership for Germany, NATO membership of the united Germany, while Gorbachev has not yet accepted this. At the same time, it was very important during the discussions that Gorbachev in fact accepted the presence

of U.S. troops in Europe. This is important, because in the past months, even before I came into government, I explained this several times at press conferences abroad, in the United States as well, that I was convinced that the Soviet Government would change their point of view, and that after German unification was completed, the Soviet Government would not oppose but would in fact agree to the U.S. presence in Europe. This has now happened. It is logical that this serves a certain balance, and I think that the Soviet Union too, if the direction of Soviet politics does not change, will accept Germany's membership in some form of alliance, which is much less dangerous to anyone than a Germany outside any alliance, for example a neutral one.

What was interesting was that Bush in his letter referred to his intention of proposing a revaluation of NATO military doctrine, which indicates that they want to make a gesture toward a balanced relation.

[Havas] At the end of last week, Polish Prime Minister Mazowiecki was your guest. This is interesting because Poland in fact is of a different opinion about the future of the Warsaw Pact. Poland wants to retain the military organization of the Warsaw Pact and does not regard the Soviet troop withdrawal topical, in light of the German unification. You offered to Prime Minister Mazowiecki Hungarian mediation. This is interesting because it is public knowledge that your father did a lot for Polish refugees in those days [World War II], and now you could also take on a similar role, in the sense of becoming mediator between Germans and Poles. In your view, are the reservations and fears about united Germany still alive in Czechoslovakia and Poland, and are these still timely?

[Antall] I think that Germany—now I am talking about the FRG—as a democratic, constitutional, parliamentary system can compete with any other in Europe. I do not regard England, France, or any other as a better democracy than the FRG. This is one point; the other is that German unification naturally means that in Europe an exceptionally strong economic and political power will be created in the form of Germany, but it is a fact that Germany and the German community represent great power. In my view, what always made Germany dangerous was when it was humiliated or offended. Hitlerism never would have come to being in Germany if Germany had not been humiliated after World War I, if they had not tried to ruin it, to offend it, etc....Then Hitler, as a bad, unknown painter, Schikelgruber, would have disappeared and never would have become a historical person.

Therefore, I think Germany, if it is allowed to develop and feels itself in the right place in Europe, then Germany does not represent any danger.

In addition to Germany, naturally Poland also wants to secure its own position. This is made clear by Poland's political situation, geographical position, its openness in both directions, its historical experiences. Poland simply

must have its borders guaranteed. Prime Minister Mazowiecki clearly stated his position that Poland does not wish to have its Eastern borders reexamined. Now Poland lost more than 100,000 square km with this sliding toward the West, so if Poland does not wish to have the change of borders by force—and what else can they do within the present international situation, on the basis of the Helsinki agreement, just like us—we said the same. From this it follows that millions of Poles move toward the Western side, so Poland wants to secure its Western borders. Now, if they insist on this, then certain doubts arise. Poland would like it if before the unification of Germany is completed, already the two German states should declare on the border question, which President von Weizsäcker already did, that they regard these as permanent. In addition, there are certain points in the German Constitution, there are certain German statutes and regulations that touch on the area beyond the Oder-Neisse, the former German regions, so there is a need felt among the Poles that they would like to fix all these now.

What this really means is that they would like to put it on a firm foundation with the Soviet Union and with the about-to-be-unified Germany. They want to fix firm borders. This from the Polish point of view is understandable, but this is a substantially different geopolitical position from ours. We have no such problems. We have no borders with Germany. We therefore look at it differently.

[Havas] We, however, have other problems. Chancellor Kohl reassured the Poles that just as the ancient French-German differences were eliminated, just as the new German and French generations have been freed from this curse and the border between the FRG and France has really became a conceptual thing, the same must also happen in German-Polish relations. Here, I would like to refer to your discussions with Polish Premier Mazowiecki. The Polish premier assured us that Poland supports the Hungarian proposal concerning a charter on nationality rights, which we submitted, together with other countries, in Copenhagen. When will our borders with Czechoslovakia, Romania, and Yugoslavia become conceptual? When will these differences, with historical roots, which poison the atmosphere here in east-central Europe, cease to exist?

[Antall] One part of the question is easier—that part which pertains to what Chancellor Kohl promised the Poles. I am convinced that the Germans will in truth fully recognize and take cognizance of the Polish-German border. I think that on the part of Chancellor Kohl there is a legal consideration. By the way, he told me this in Berlin and Bonn. There is a legal consideration, that he thought that as long as the GDR exists in a political sense, he could not make statements on behalf of a unified Germany. It is the unified Germany which must legally recognize the border question. This is one aspect.

The other aspect is that alongside the statement by Chancellor Kohl, there is an obvious political issue. Several million Germans now live in the FRG, who originate from the eastern areas. They went over from east of the Oder-Neisse border, and obviously serious, emotional forces are appearing there. Therefore, if one very emphatically, spectacularly, wishes to renounce these areas—in my view every German politician knows that this is reality, but it is always a different thing to state it—it means millions for the Christian Democratic Union-Christian Socialist Union [CDU-CSU] among the electors. It is not good for anyone if people who have come over from these areas, or other people, think along lines of voting for right-wing parties such as the republicans, instead of the CDU-CSU. Therefore, my opinion is that the Germans must take cognizance of this, and they have taken cognizance of it, but it must not be demanded spectacularly and emphatically. This is most crucial, precisely for the CDU-CSU.

The other thing: Strauss had a very noteworthy saying: There is a need to take care, in the interests of German democracy, that no party should ever emerge which is to the right of the CDU-CSU. I consider this to be a very correct principle, and I think that this mistake has taken place in France. As a consequence of the political strategy of the left-wing parties, primarily Mitterrand's political strategy, the Le Pen type of party has come about on the right. In this manner, the French center and right-of-center has become incapable of governing, that is Mitterrand used it to make the right-wing unfit. Giscard and Chirac have great difficulty in entering into a coalition with one another and in obtaining an absolute majority, and thus they ensure an opportunity for the socialists to govern over a long time.

It is possible from a party political viewpoint, but I would consider it more correct if in Germany, no party representing a considerable force were to come about to the right of the CDU-CSU. For this reason, I do not consider it very correct if there is a wish to drive the Germans in this direction, into taking a position which aggravates this. Of course, the logical and the clear, current situation is that the German-Polish border must be recognized. The Germans, Weizsaecker, already said that the unified Germany will take cognizance of this, just like we can do nothing else. And we, also, took cognizance of the Trianon Treaty, and the repeat of the Trianon Treaty in 1947, and on the basis of the Helsinki Final Act we took cognizance that we do not seek an alteration of the borders by means of force.

However, for all this, it is very difficult emotionally, in Hungary, for this matter to be handled without nostalgia. It is possible to take cognizance of such an historical verdict. It is possible to take cognizance of an historical situation. But no one expect us to be happy that Cluj or Targu Mures are no longer Hungarian, nor are Bratislava or other places. In this connection, several newspapers have written or objected that I said more than a week ago that in a political sense and according to Hungarian law,

I am the premier of 10 million Hungarian citizens, but spiritually and emotionally, I wish to be the premier of 15 million Magyars.

Yet, I (?continued) by going on to minority issues, etc. In my view it is the most natural thing in the world that when we recognize the verdict of history, we recognize the situation which has taken shape, and this is how we think.

In connection with this, I believe that eastern-central Europe has no choice other than for us to improve our relations with one another—in the case of Czechoslovakia, Romania, Yugoslavia, too. Indeed, regarding our neighbors, our relationship is obviously best with Austria, but I might add that there is room for improvement in the situation of the Magyar minority in Austria, and we wish this, too. We firmly wish this of the neighboring countries, including the Magyars in Felvidek, sub-Carpathia, Transylvania, Delvidek, everywhere.

By the way, we touched on the matter of the Magyars in sub-Carpathia, recognizing the improvement in their situation at the talks conducted with Premier Ryzhkov. I think that here we have to strive for the improvement of the situation. We have to do everything possible to ease the borders, but I am not too optimistic that this will be a quick process. I think it is enough if I refer to, for example, what would be the consequences of changing over to hard currency accounting with the neighboring countries.

Say we start and in our trade relations we change over to hard currency and account for everything in dollars, as is already happening with the Soviet Union. We have already raised the question of tourism, which is affecting the traffic at small borders [as heard]. We will change over with the Poles as well from 1 January, we have now agreed on this. This same would apply to the others as well. A completely new situation will be created. The relations will have to be settled. The Polish stance was important because Poland, before the Mazowiecki government, virtually did not accept the existence of national minorities in Poland, there was no education in minority languages. They did not recognize the existence of a German minority, there was emigration from Poland. The nationality right were only guaranteed in a very limited way by the Poles, therefore the Polish support was missing.

In 1988, when the Transylvanian demonstrations took place, and when we took a stand in the interests of the Hungarians in Transylvania, the Polish Government declared neutrality between Hungary and Poland. Because of my Polish connections, I sent a memorandum to the Polish Government at that time in which I actually called this attitude shameful and demanded they change it. Referring to the fact that in Hungary, during World War II, to talk about a numerical magnitude, several hundred thousand Polish people passed through or stayed here and said that we in this are expecting solidarity from Poland.

They immediately invited me to the Polish Embassy and controversial articles appeared in the Polish press, and the foreign affairs spokesman who made this statement even received a warning. So the Poles did make a gesture in this respect already then, this I also mentioned to Mr. Prime Minister Mazowiecki. I must add that from the Hungarian side too, statements about the Poles were not always the best either. Therefore we have certain things to get into order, but the support of Poland on the national minorities question is extremely important. It is the country of the largest population in Eastern-Central Europe.

The others, even if we can get support from them in time, that is Czechoslovakia, the Soviet Union, Romania and Yugoslavia, are interested about this in a different way because of the numbers. Since about 30,000 Romanian [figure as heard] are faced with 2.5 million Hungarians.

In the same way we cannot count on the support of Bulgaria because their position toward the Turkish minority is extremely rigid.

[Havas] I suggest we close the foreign affairs subjects with your two proposed visits next week. You are preparing to go Bonn and Paris. What specific proposals are you taking with you to these two capitals; what are you expecting from these two visits?

[Antall] There is, naturally, an established custom in this. I have already been in both capitals, even as leader of an opposition party; I have been to America, to Paris, to Bonn. I can say we have good relations.

During the Bonn visit with Chancellor Kohl, he described it in these terms: We have what could be called a personal friendship, in addition, the CDU and the CSU are in direct ideological and political contact. But these would not be enough.

Obviously, the FRG has already been the greatest financial supporter of Hungary, in fact, with investments, everything. We have already been enjoying the support of the FRG, and Germany is grateful, too, for the part we played in the German unification, which was directly linked with the letting through of the refugees. We have certain political, moral capital.

What I am expecting from Germany and from the trip is a strengthening and further development of political ties, in practical terms—Hungary is in a fairly serious financial situation. Already, in this transitional period, we have succeeded in obtaining 280 million [currency not specified] in support, this is just now being signed. We are expecting further help and support from Germany, and this includes financial support, industrial support,

training of managers, retraining of unemployed Hungarians, assistance to the military, and the training of public administrators. So I can safely say that this is a comprehensive program, and this is what we are working on; the government is preparing a plan for this.

Naturally, this does not mean that we are only concerned with the Germans. We are receiving French support as well. Our state secretaries are going to France and England for study tours, by invitation. In addition to the French and English, we are receiving this type of support from the United States as well, and I even hope that the Canadian Mounties, which is the best such organization, will agree to train Hungarian public security experts. Our idea, and let us say my personal plan, is that within a short time we must create a balance in professional contacts and experience. We should have all conceivable Western contacts, and we must achieve this in the most important organizations.

However, we also will urge that there should be a certain exchange of military experience, as well as training. Thus, the objective of this trip, properly speaking, is to meet the Bavarian premier, the premier of Baden-Wuerttemberg, Chancellor Kohl, accordingly, to cover every issue with these same people, and after that to lay the foundations for the development of permanent cooperation.

Then I will go to Paris at the invitation of President Mitterrand. Alongside President Mitterrand, I will meet Prime Minister Rocard. I have just renounced an invitation to Paris from the Union of European Democratic Parties because it would have been for a day earlier. I would have been the guest of Chirac. Yet this, my attendance there, would not have been expedient from the viewpoint of the Hungarian Government.

What is of importance regarding relations with France is the economic aspect: French investments, French technological assistance. Beyond this, a very important element of French relations is that France has taken our side on the minorities question. One knows historically how significant French-Romanian relations always have been. Accordingly we have made endeavors with a view to—I will not say offsetting, but rather rather balancing out—French-Romanian relations. Already during his visit to Budapest, I spoke rather a lot about this with President Mitterrand, and I handed over to him a memorandum, as a result of which he took the stand that he supported the Magyar minorities in everything. So this was of great significance.

Therefore, I believe that in this short time the government has achieved rather good results regarding the international system of relations and foreign policy. This is how it could be summed up [passage omitted].

Discussion of Withdrawal From Czechoslovakia
90UM0640A Moscow PRAVDA in Russian 1 Jun 90 p 8

[Article by PRAVDA special correspondent V. Izgarshov, Prague-Moscow: "Return: The First Phase of Withdrawal of Soviet Troops From Czechoslovakia Is Coming to an End"]

[Text] Soviet Army combined units and units will be returning home from Czechoslovakia. Some will be disbanded, while others will continue active service. Total forces withdrawal will include 73,500 personnel, 1,200 tanks, 2,505 fighting vehicles [other than tanks], 1,218 artillery pieces, 77 fixed-wing combat aircraft, 146 combat helicopters, plus other equipment.

* * *

I must admit that I wanted very much to visit garrisons of the Central Group of Forces on those spring days when the first flatcars arrived home in Gorkiy. This urge was evoked by my journalist's duty to the men of my unit, both those still living and, alas, those who are no longer with us, with whom in August 1968 I entered Czechoslovakia by decision of the allied countries, a decision which is now acknowledged to have been in error.

Just prior to this an old friend of mine from Prague, a colonel, had phoned me at work in Moscow. We don't get together very often, but we maintain quite friendly relations and, most important, we are quite candid with one another.

"Vasiliy, I am now a mister. That is the way I must now be addressed...."

"Then you can call me mister too," I replied. "Full equality."

I heard the familiar chuckle at the other end of the line: everything was fine, and he still had his sense of humor.

"Are you coming?" "I am." "There will be a lot of new things for you." "In what way?" "In every way."

That same day the first train carrying tanks arrived home in Gorkiy, a combined exercise commenced in Czechoslovakia, involving troops of the Czechoslovak People's Army and our group of forces.

On the previous day I had read in a Czechoslovak military newspaper a brief article titled "Objection To Field Exercise." In this article a number of organizations and movements declared that the exercise "is of a provocative nature from a political standpoint."

Provocational—no more, no less.

I have observed combined exercises on numerous occasions. In addition to all else, they left a lasting feeling of a cheerful holiday event. And on this occasion? The other party was unable even to accept the traditional

combined exercise name "Friendship." Two Czechoslovak battalions—a motorized rifle battalion and a tank battalion—and a Soviet tank battalion under the command of Lt Col L. Kononenko, headquarters at barracks, with limited movements along routes at a tank training facility. That was the entire extent of the exercise. In addition: "Pan nadporucik!" [Mister Senior Lieutenant] "Pan vojak!" [Mister Private] A little strange, you've got to agree.

I encountered the new which had been promised to me by my Prague soudruh [comrade], now pan [mister], in precisely this form on the very first day I arrived in the Group of Forces.

The main thing is the troop withdrawal. It is perceived in different ways in the line units. Primary-rank enlisted personnel and noncommissioned officers are extremely pleased about it. After all, they are going home! No more putting in one's time behind the solid-green fences, past the double and triple checkpoints. At home you can get a pass to go into town, your girl friend can visit you on holidays, there is a possibility of visiting home yourself, and then there are the parcels from mom. And, the fact is, home is home....

The withdrawal of forces presents problems to officers, warrant officers, their families, as well as to Soviet Army civilian employees.

The first problem is: where are they to go? Many have no place to go back home to. In a missile unit, where Lt Gen V. Sharikov, Group of Forces military council member, and I were the target of a crossfire of justifiable questions by the wives of military personnel, almost 80 percent of the officers' families have no place to live back home in the USSR. How about parents? Many have no parents still living, while the elderly parents of others are living a miserable existence in decaying Russian backwater localities. They have no place to send their belongings.

Another question also arises. Ministry of Defense and Main Political Directorate officials have recently been saying a great deal about democratic processes in the military. Assemblies of officers.... Women's councils.... But why not implement such processes in this missile unit? In the sense that officials empowered with authority would come here from Moscow and confer with the officers, warrant officers, and their wives. They could give them something concrete to work on. In such and such a city you will get so much housing immediately, so much after six months, and so much after a year. And your children will receive so many slots at nursery schools and kindergartens. The situation with school children will be as follows. In short, they could sit down at the table, have an intelligent discussion and resolve all matters, with input by the interested parties, as they say.

But they have become accustomed to foisting off all this work on local political workers. They are instructed to explain to and implement policy among the masses. And it never occurs to anybody that with this they are merely placing good people under fire. What can they

"explain"? How can you convince a person that posting to a duty assignment in the Turkmen desert is not an act of getting even for declining to accept an assignment in the Bryansk forests but rather is a manifestation of paternal concern for the vital needs and daily requirements of one's men? You simply cannot convince people of this.

...I remember that summer of 1968. We entered Prague at dawn on 21 August. Lovers were still strolling along the Vltava embankments, on Charles Bridge, and on Wenceslas Square. And many people, upon seeing tanks, ran toward them, unaware of whose soldiers were sitting on the armor. "Are you ours, Czechs?" they would ask, perplexed. "No? Poles? Not that either? Are you Russians? My God, why are you here?"

Three elderly residents of Prague, Communists, walked toward the tank crewmen, correctly identifying them as Soviet, carrying bottles of water. Incidentally, Sergey Aleksandrovich Borzenko told about this at the time in an article carried in PRAVDA, in a powerful, harsh manner, characteristic of him alone. Our paths have been crossing for years, time and again, but I never imagined that there would come a time, after about 20 years, when fate would give me his desk at the newspaper office and his telephone number.... He, a war hero, was quite shaken at the time by those three bottles of water.

Those three Czechs remembered Prague in May 1945, and they remembered the first baptism of fire for the Ludvik Svoboda Battalion on the banks of the Mzha River, near Sokolovo in Kharkov Oblast, Sergey Borzenko's native region. And PRAVDA correspondent Borzenko remembered the soldiers of Czechoslovak patriot Svoboda. He had entered liberated Kiev together with them. He wrote about all this at the time not with words but with his heart's blood.

What would my PRAVDA friend and predecessor say now if he were to visit Czechoslovakia these days? What would those old Czechoslovak Communists and war veterans have to say?

Because once again, just as back then, the same slogans as in 1968 are painted on buildings and shop windows: "Ivan go home!", "Ivan, it is 2,000 kilometers to Moscow!", and "Occupation forces have no place in Czechoslovakia".... And once again, just as before, someone had attempted to paint out the red star on the turret of the heavy tank which had been placed by a liberated Prague on a pedestal in the center of Soviet Tanker Square, not far from Prague Castle.

August 1968 was preceded by June, the Sumava combined exercise. It was a rather strange exercise. Five days of "battles" in a training area in the Sumava Mountains and almost a month and a half of marking time in the garrisons. It was a time of feverish activity. The "Prague Spring" was in full swing. There was the "2,000-Word Manifesto." And there were the political clubs.... Practically every day a deputation of journalists would ask the exercise director, MSU Ivan Yakubovskiy: "When will

the withdrawal of allied troops from the exercise begin?" "Soon," the imperturbable commander in chief would reply. "As soon as we finish equipment repairs..."

They disparaged the equipment in order to justify the departure delay. An official post-exercise debriefing had been held, attended by A. Dubcek, L. Svoboda, M. Dzur, and other Czechoslovak leaders, but the troops were not budging. Only when the trade unions threatened a general strike did allied troop convoys set out for home.

But the people of Czechoslovakia, the working people, and Czechoslovakian youth, remembering the days in May 1945, greeted us and later bade us farewell, those who had taken part in the Sumava exercise, as brothers. Soldiers and vehicles streamed past a solid line of greetings, flowers, and smiles along the entire route to the Czechoslovak border. Later we returned. In August. Not everybody welcomed us as they had at the Sumava exercise.

"I am a friend of the Soviets," I was told by a Czechoslovak soldier by the name of Ivan. "There are many like me in our country. But there should be more. You must more boldly make a friendship gesture."

Unfortunately, however, we did not. That is, there was plenty of talk about friendship in speeches and articles. But in actual deed? For 22 years we sat behind the walls of military garrisons and unit compounds. Orders were to stay put, not to come out from behind those walls. By whose orders? The same ones who made that secret decision to bring troops in. The same ones who preached the most about friendship and forbade people from making friends. But what would the effect have been if over the course of those 22 years each and every private, sergeant, warrant officer, and commissioned officer who served a tour of duty with the Central Group of Forces had left just one friend behind in this brother country? And what if they left more than one friend?

Unfortunately persons with criminal proclivities were frequently the ones to make friends. Profiteers in military uniform, with a hankering for the property of others, traded in currency and gasoline. Who were the friends of these "emissaries of the people"? The same kind of criminal types, whose place is behind bars.

...At night, when the streets would grow quiet, local Communists would frequently make furtive visits to the quarters of Soviet officers. What will happen to them when we leave the country? Even now they are having a hard time of it: they are fired from their jobs, and boisterous youths hurl catcalls at them.

I was told about this by Col Vitaliy Sinchurin. Their division is scheduled to be the last to leave. They have good relations with their Czechoslovak comrades. The colonel is sincerely concerned about the fate of Czechoslovak Communists. They truly fear the future.

"You have betrayed us," Communists tell Soviets right to their face. "When you leave, they will settle the score with us."

But maybe this will not happen. We shall hope for the best....

Troop trains are leaving Czechoslovakia. There are no flowers, no smiles, no kind words of farewell. I have seen tears in the eyes of our soldiers. We so genuinely loved this country. And could it have been otherwise? 140,000 men lost their lives on this soil. One of them in the very center of the capital, alongside gold church domes. He had grown to love this city, its Vltava, with its 15 beautiful bridges. As he lay dying he asked that he be buried here, where the bells ring out the hour, like the Kremlin Spasskiy Tower back home. "Eternal glory to Comrade Belyakov, who died for the liberation of Prague." The inscription in black stone, with a touching misspelling in the word "liberation," seems to have been carved just yesterday. And there are always fresh carnations on the grave.

In a quaint old pub in Lysa nad Labem, where 22 years ago an elderly innkeeper had treated Sergey Borzenko and me to some Nimburer Light, today the bar is tended by a robust young lad. A new innkeeper, but the beer is the same—cool and foamy. A Soviet soldier walked in.

"Would Mister Soviet vojak like some spekacky [wurst] and a glass of beer? Such spekacky and beer as Mister vojak will not find at home in Russia."

"The soldier would like, Mister Innkeeper, both spekacky and beer," replied the soldier, young, beardless, practically a boy. "It is true, Mister Innkeeper, that at the present time we have in Russia neither such spekacky nor such beer, which is famed throughout Europe. But Mister Soldier, who just a couple of months ago was called soudruh—comrade—in your country, has only enough korunas on him for a soft drink. Please open a bottle of pop, kind sir, for the Soviet soldier...."

He said this softly, with dignity, and his words were heard by the old bierstube's regulars.

I believe that this mister soldier will remain comrade to the entire kindly Czechoslovak people, because he never was a member of an occupation force, either in essence or in spirit. He was and will remain a comrade, an adopted brother to those whose names are inscribed on the pedestal on which stands the IS-3 tank bearing the hull number 23 and a red star on the turret, two points of which had been painted out by some scapgegrace with white paint.

He is a comrade to them, the saviors of Prague, and he is also a comrade to the people of Prague.

Army Daily on Summit Arms Control Results

PM1106092190 Moscow KRASNAYA ZVEZDA
in Russian 8 Jun 90 First Edition p 3

[KRASNAYA ZVEZDA observer Manki Ponomarev commentary under the rubric "The World Today: Problems and Opinions": "New Horizons"]

[Excerpt] A number of agreements were signed in Washington and binding statements were made on certain key aspects of the reduction and elimination of arms—both mass destruction and conventional arms.

The agreement on the destruction and nonproduction of chemical weapons stands out among them. Speaking about its significance, R. Michael, leader of the Republican minority in the U.S. House of Representatives, noted: "Had this been the only thing signed at the summit, it would have been enough to regard the meeting as a success."

Yes, this is true. The reaching of this agreement is all the more astonishing, as THE NEW YORK TIMES noted, since it will be very difficult to verify compliance with its provisions. And this means that a high degree of trust has been achieved. It is planned that, starting in late 1992, the USSR and the United States will destroy 80 percent of their chemical weapons over a period of 10 years—to a level of 5,000 tonnes on each side—and they will give up producing them. And then, after the adoption of the universal convention on banning chemical weapons whose elaboration is nearing completion, they will renounce them altogether.

The Soviet and U.S. delegations at the talks on nuclear and space arms in Geneva were unable to complete the elaboration of the treaty on the radical reduction of strategic offensive weapons before the beginning of the summit. It was quite impossible to resolve some questions. They included, among others, the question of mobile ICBM's. This was resolved in Washington. The presidents agreed that the number of warheads on such missiles must not exceed 1,100 within the framework of the general reduction, and they agreed on procedures for the verification of mobile ICBM's, which had also been a stumbling block.

Admittedly, some obstacles still remain on the path to signing the treaty on strategic offensive arms. Thus the United States is trying to sell the same cow twice, so to speak. As is well known, at its insistence, the Soviet Tu-22M "Backfire" medium bomber was included as a subject of the talks on conventional forces in Europe which are being held in Vienna. But the United States is also trying to include it in the category of strategic arms. Back in 1979 the Soviet Union stated that it would not give this aircraft the properties of an intercontinental range, and therefore it could not be included in the strategic category. The Soviet Union is prepared to reaffirm this pledge today. But no more than that.

The second obstacle is the problem of tests of heavy missiles. The USSR now has 308 such missiles. We are

prepared to halve the number of them to 154 but reserve the right to test launches. The United States objects. Both Soviet and U.S. specialists and scientists obviously have work to do here to determine the borders between permissible modernization and a qualitative arms race.

Finally, the problem of noncircumvention of the treaty remains unresolved. The United States asserts that it has a program of cooperation with Britain and within its framework can give Britain any kind of strategic weapons—"Trident" ballistic missiles, intercontinental missiles, cruise missiles, and so on. But this makes the whole treaty on strategic offensive arms meaningless. What does the reduction in U.S. arms change if the arms are merely transferred to Britain?

All these questions are serious. But a solution to them can be found. A joint statement was issued in Washington on the basic provisions of the future agreement on a 50 percent reduction in strategic offensive arms. It makes it possible to hope that a treaty can be signed before the end of 1990, as the two presidents agreed in Malta. And meanwhile, the basic parameters for the future talks on nuclear and space arms—START-2, as they are called—have been outlined.

Of course, I have been able to dwell on only some of what I see as the most important aspects of the results of the meeting between M.S. Gorbachev and G. Bush and to comment on only part of what was achieved. The time for a full interpretation lies ahead. We are still waiting impatiently for the Soviet leader's report on the results of his visit to the United States, which he will reportedly deliver at the USSR Supreme Soviet session. But it is already obvious that the summit was not just a search for answers to the challenges of the times. It provided the answers to many of them.

Bogachev Views Outcome of NATO, Pact Meetings

*LD0906181790 Moscow TASS in English 1759 GMT
9 Jun 90*

[by TASS military news analyst Vladimir Bogachev]

[Text] Moscow, June 9 (TASS)—It will be no exaggeration to say that not a single communique of sessions of NATO leading bodies ever abounded in such a large number of optimistic forecasts and conclusions as the final document of the NATO Council session which ended on June 8.

Perhaps, not a single official document of NATO contained such a limited number of allusions to "military might". It is also noteworthy that the presentation of these allusions by NATO ministers has become much less tough, and this is a sure sign of changes that have taken place in the world since 1985.

One can only welcome the NATO Council's statement about the readiness of the members of the western alliance to make "reasonable compromises" at the

Vienna talks and about instructions to their delegations in Vienna to develop new approaches towards achieving mutually acceptable solutions, specifically over aircraft, tanks and verification procedure, evaluation of the importance of the latest Soviet-American summit and NATO's intention to change its military strategy.

It so happened that NATO council's two-day session in Turnberry, Scotland, at foreign ministers' level was held simultaneously with the Moscow meeting of the Political Consultative Committee (PCC) of the Warsaw Treaty Organisation (WTO) attended by the heads of state and government of Warsaw Treaty countries.

The leaders of the two alliances' member countries at these two sessions discussed similar problems. Naturally, one is tempted to compare—digressing from the style of the two final communiqus—the actual positions of the sides on major problems connected with European security and to identify still remaining differences of their approaches.

The Warsaw Treaty countries at the PCC meeting stated that conditions are now ripe for overcoming the blocs-type system of security and in this connection decided to begin to review the character, functions and activities of the Warsaw Treaty Organisation.

The NATO ministers, for their part, again emphasised the invariability of the fundamental properties of the alliance. In this respect one can note a more dynamic response by WTO countries to the rapid changes in the world and their readiness to more vigorously bring their military and political guidelines into conformity with realities.

WTO and NATO representatives, both in Moscow and Turnberry, supported the idea of institutionalizing the Helsinki process.

Participants in the PCC meeting emphasised that the realization of this idea would be an important contribution to strengthening European stability.

The NATO Council session, however, pointed out that the North Atlantic alliance should remain the "cornerstone" in building a new European order while CSCE functions should only supplement NATO's functions.

The PCC declaration says that "the confrontational elements contained in the WTO and NATO documents of the past years no longer accord with the spirit of the times".

Noteworthy is quite a reasonable statement on that score by NATO Secretary-General Manfred Woerner at the close of the session in Turnberry. He said that if NATO wants adequately to respond to the challenge of the times, it itself should change.

Moiseyev Reaffirms Pledge To Complete Vienna Talks

*LD0906134490 Moscow World Service in English
1110 GMT 9 Jun 90*

[Text] Is Moscow holding up progress at the Vienna talks on conventional armaments in Europe? Many accusations are hurled at the Soviet Union in the West. Here are the views of the chief of the General Staff of the Soviet Armed Forces, Army General Mikhail Moiseyev.

[Moiseyev, in Russian with superimposed English translation] The Warsaw Treaty countries, including the Soviet Union, are far from going to somehow hold up or wreck the Vienna talks. We have a vested interest in their progress. What the press writes isn't always true or accurate. Indeed, some Warsaw Treaty countries share a degree of uncertainty, and it was said for one at the meeting of the chiefs of the general staffs held in Moscow on the first and second of this month. We have some coordinated stipulations fixed in an appropriate document covering every issue negotiated on how much each country within the Warsaw Treaty Organization and NATO should contribute to elimination of armaments and troops reduction.

Today, in view of what is happening in Europe, some countries would like to back down on their treaty commitments and to retain much more combat vehicles and other armaments than was stipulated initially. I mean the German Democratic Republic. Its representatives have voiced such an idea. A considerable part of the GDR contribution to eliminating combat vehicles and other armaments in case the GDR becomes part of NATO after Germany is united must be distributed among the other Warsaw Treaty countries. As you may realize this is a tough issue, but I think we'll find the right solution.

We shall remain loyal to our pledge to complete the Vienna talks as early as this year.

U.S.-USSR Disarmament Agreements Viewed

*WA1106191490 Moscow ARGUMENTY I FAKTY
in Russian No 23, 9-15 Jun 90 pp 1, 2*

[Report on interview with USSR Deputy Foreign Minister V. Karpov, conducted by NOVOSTI diplomatic observer V. Markov; place and date not given: "Balance of Interests"]

[Text] USSR President M.S. Gorbachev's visit to the United States, in the course of which a whole package of agreements was signed, including in the sphere of disarmament, is successfully over.

At the request of ARGUMENTY I FAKTY, Deputy USSR Foreign Minister V. Karpov answers the questions of NOVOSTI diplomatic observer V. Markov.

[Markov] The presidents of the USSR and the United States signed a joint statement in Washington on the

basic principles of a future strategic offensive arms limitation and reduction treaty. It is contemplated signing the treaty itself by the end of this year. What is the content of its basic provisions which the presidents have succeeded in agreeing upon even now?

[Karpov] We are talking about the presidents' adoption of a joint document which sets forth the understandings reached in the course of intensive negotiations. They concern primarily limitations on both countries' strategic offensive arms in the following quantity: 1,600 delivery systems and 6,000 nuclear warheads. The document also determines the procedure for counting the number of warheads on ballistic missiles and tallying nuclear warheads on cruise missiles. It goes on to determine how many missiles may be replaced and on what terms, how this replacement will be accomplished, and what reserve of missiles—above and beyond those already in silos or on launchers—the parties may possess in order to maintain the necessary level of missile forces.

A large place in the joint statement is assigned questions of monitoring and inspection activity, including an arms manufacturing observation system. The document also regulates questions connected with the timetables for the destruction of the parties' arms over and above the authorized quantities and the methods of their dismantling and elimination.

[Markov] What is the balance of interests which it has been possible to achieve on the contentious issues of the limitation of air- and sea-launched cruise missiles (ALCM and SLCM)?

[Karpov] Two issues, in the main, were discussed concerning ALCMs at the negotiating stage directly preceding the summit, primarily during Secretary of State Baker's visit to Moscow. The first concerned the range of the missiles at which they come under the provisions of the treaty and are counted as a unit in the 6,000 nuclear warheads level. We proposed 600 km, the United States 800 km (although they had originally insisted on a range of 1,500 km).

In Moscow the Americans expressed consent to our proposal—the establishment of a range for ALCMs of 600 km if we, for our part, accommodated them on the issue of the new American Tacit Rainbow missile. It was determined that missiles of greater range which had been tested prior to 31 December 1988 would come under the provisions of the treaty and, what is more, that they would all be considered nuclear. The American Tacit Rainbow missile which, according to American assurances will remain nonnuclear, was deemed not to come under the provisions of a START treaty.

The second question connected with ALCM's was whether or not a ceiling should be determined on the number of heavy bombers (HB). Recent Soviet proposals set forth in a letter from Eduard Shevardnadze of 11 May to the U.S. secretary of state provided for the establishment of a heavy bomber ceiling of 120. The American side, which had originally turned down this

idea altogether, then proposed a ceiling of 180 HB's. The United States currently has almost 190 HB's with ALCM's, the USSR less than half as many. The compromise solution which was negotiated is a ceiling of 150 HB's for the United States.

[Markov] How was the problem of counting ALCM's on heavy bombers solved?

[Karpov] This problem was agreed upon by way of the establishment of a kind of coefficient. Ten cruise missiles are counted on American HB's, eight on the Soviet HB's. These are provisional figures because the Americans, say, now have bombers which carry 12 missiles in the main. They could in the future have HB's with 20 missiles even. A 20-missile ceiling is now established which cannot be exceeded. Soviet TBs are fitted with six missiles in the main, but in time, for example, the Tu-160 bombers will be fitted with 12 cruise missiles. The Soviet side has undertaken not to deploy more than 12 missiles on its bombers. But for the purpose of compensation the USSR may, according to the arrangement, have 40 percent more HB's with ALCM's.

[Markov] To what did the problem of limiting long-range SLCM's at the final stage of the negotiations prior to the summit amount?

[Karpov] To determination of the overall ceiling of SLCM's over the whole term of the treaty—15 years. After they had for a long time refused to establish any ceiling in this respect, in recent weeks the Americans proposed to agree to such at the 1,000-missile level. The Soviet side proposed a 600-missile limit. In addition, we advocated that SLCM's with a range of 600 km and more be counted within this ceiling. As a result we agreed here also on a range of 600 km and also on a ceiling for the SLCM's of 880, and, what is more, the parties will annually exchange data on the plans to deploy these missiles over a five-year period.

[Markov] The treaty on whose basic provisions both presidents reached agreement is now no longer called a treaty on a 50-percent reduction in strategic offensive arms....

[Karpov] To take the reduction in nuclear warheads, they will indeed be reduced by half: 6,000 nuclear warheads is approximately 50 percent of their present American level. To judge, however, by strategic nuclear weapon delivery systems, 1,600 do not constitute half either of the American or the Soviet levels. The United States has approximately 2,200, the USSR approximately 2,400.

The fact that the Americans did not agree to include SLCM's within the 6,000-warhead ceiling means that in respect of these also the actual reductions will be less than 50 percent. If these are considered deficiencies of a START treaty, they may, I hope, be filled in future agreements.

[Markov] When will START II negotiations begin?

[Karpov] As soon, obviously, as the START treaty is ratified.

Moiseyev on Vienna Conventional Arms Talks

*OW1706054190 Moscow International Service
in Mandarin 1400 GMT 10 Jun 90*

[Text] Dear listeners: Is Moscow holding up the progress of the Vienna talks on conventional arms in Europe? The West has been putting the blame on the USSR. General Moiseyev, chief of staff of the Soviet Armed Forces, made the following statement on this:

Member countries of the Warsaw Pact, including the USSR, wish neither to stop nor delay the Vienna talks. We are, in fact, very concerned about its progress. Press reports are sometimes not very accurate. Some member countries of the Warsaw Pact lack self-confidence, this is true. This was borne out in a meeting between the leaders of the Warsaw Pact General Staff Headquarters and its General Command in Moscow on 1 and 2 June. Member countries of the Warsaw Pact and NATO have a common stand on a concrete contribution to talks on questions concerning the destruction of weapons and the reduction of troops. Relevant documents have been signed in this regard.

Today, in considering the situation in Europe, some countries attempt to relinquish their obligations under the pact and retain more equipment and weapons for themselves. Here we are referring to the GDR. A GDR spokesman once said if the republic joins NATO after German unification, then the proportion of the GDR's contribution to the destruction of equipment and weapons is to be determined by other member countries of the Warsaw Pact. As everyone knows, this is a very difficult problem, but I think we can find the right solution.

General Moiseyev added: We will fulfill our obligations and strive to end the Vienna talks this year.

Reduction in Warship Construction at Baltic Plant

*90UM0434B Leningrad LENINGRADSKAYA PRAVDA
in Russian 11 Jan 90 p 1*

[Interview with Baltiyskiy Zavod [Baltic Plant] Deputy General Director V.I. Polukayev and Baltic Plant Chief Economist Yu.K. Atamanenko by A. Agrafenin: "Conversion at the Baltic [Plant]"]

[Text] Recently, the new icebreaker "Sovetskiy Soyuz" traveled from the mouth of the Neva to its Arctic watch [area]. This is the fourth vessel in a series of nuclear giants constructed by the shipbuilders of the Baltiyskiy Zavod [Baltic Plant] Association for the sailors of the Murmansk Steamship Line. They successfully concluded the 1989 program with the Baltic State Commission turned over the icebreaker in December.

But what next? What are the shipbuilders' plans for the future? Our correspondent asked [Baltic Plant] Association Deputy General Director V.I. Polukeyev and Baltic Plant Chief Economist Yu.K. Atamanenko for answers to these and other questions.

[Agrafenin] There is the impression that Leningrad residents were poorly informed about what was really happening at the Baltic Plant shipbuilding slips in previous years.

[Polukeyev] Yes, obviously so. A significant portion of our output was, as they say, not publicized very much. Thousands of top-notch specialists did their work, received awards, and won the All-Union Socialist Competition but the fact that they manufacture ships which personify the might of the USSR's Navy was passed over in silence.

[Atamanenko] However, last year was a turning point in the enterprise's fate. Conversion abruptly altered our plans. Over the course of several months, several military ship building programs were shutdown. This was a very difficult period for the Baltic Plant.

However, I can now say with confidence that the most complicated period is behind us. We succeeded in restructuring production to purely peaceful output. We have found reserves. We have fulfilled the plan in accordance with all indicators.

[Agrafenin] Tell me about the scale of the conversion at the plant.

[Polukeyev] Last year, we refurbished a quarter of our entire production facilities. This year we anticipate restructuring about an additional 40 percent of the shops.

The Baltic Plant has mastered production of so-called "Rolkers" dry cargo ships. These vessels are almost 200 meters long. The first of the "Rolkers" was laid in September of last year. We are presently beginning construction of two more. Unique technology allows construction of two dry cargo ships in one boat slip at the same time.

In addition, we have begun producing equipment for an agroindustrial complex. They will be sausage automated production lines and quick freezers to produce meat dumplings.

[Atamanenko] I would especially like to stress that our primary task today is to keep our personnel and not lose the highly skilled specialists for which the enterprise has always been so famous. In many respects this dictates the direction in which we search for new types of products. These same "Rolkers" are vessels which demand no less skill, experience, and knowledge than cruisers. Incidentally, as soon as Western companies heard about our intention to produce dry cargo ships, we were literally deluged with demands to sell them these ships. This is evidence that, in spite of the plant's reorientation, the reputation of Baltic Plant products remains high.

Genscher, Shevardnadze Give News Conference

LD1106212490 Hamburg DPA in German 2032 GMT
11 Jun 90

[Text] Brest (DPA)—In the words of Soviet Foreign Minister Eduard Shevardnadze, the "extraordinarily important" talks with Federal Foreign Minister Hans-Dietrich Genscher in Brest on Monday have brought progress in the decisive bloc problem. The two ministers concurred in revealing this at a press conference. In this "most complicated, most difficult" (Shevardnadze) alliance issue, progress was made during the, in Genscher's view, "useful, constructive" talks, which lasted over five hours in all.

The Soviets are examining "several variants" for changing the Warsaw Pact and NATO, both internally and in relations with each other. Shevardnadze mentioned once again the idea of treaty-based restructuring. Both foreign ministers are hoping for further progress in the next two plus four negotiations on Germany by the foreign ministers in East Berlin on 22 June.

Prior to this, Genscher and Shevardnadze intend to meet once more—again with minimal staff and without formalities. The time and place have not yet been set. The day prior to the coming ministerial talks was mentioned as a possibility. At this meeting, the chances for the solution of foreign policy problems in the process of German unification should be examined more closely and the two plus four talks accelerated as far as possible.

At the press conference, the enormous Soviet interest in an acceptable solution for all-German NATO membership and for the transformation of the blocs into political institutions was made clear. Shevardnadze, who without hesitation announced "relatively painless" solutions for the status of Berlin and declared that the final course of the Polish western frontier, which is on the agenda of the two plus four talks in Paris on 17 July, is broadly settled, stressed above all the significance of agreeing on armed forces within a united Germany. Genscher warned, however, that the Germans should not be "singularized" by a special arrangement. Shevardnadze, in particular, radiated optimism. Genscher gratefully confirmed at the press conference the assurance that Moscow regards a united Germany as a factor of European stability, and that it sees an "extremely favorable backdrop" for a final outcome of the two- plus-four talks by the end of the year. An important factor here is Moscow's similar view of the connection between the Vienna disarmament agreement, the CSCE summit, and a prior German unification.

There was also discussion during the Brest meeting of future economic and financial cooperation. In this connection, Shevardnadze thanked the federal foreign minister for his clarification that German NATO membership cannot be bought with economic aid. German diplomats reported.

Diplomatic circles regarded Genscher's close and, today, even visibly warm contact with his Soviet counterpart as a completely new quality in German-Soviet relations. After Genscher placed flowers at the grave of Shevardnadze's brother, who fell in 1941, spectators witnessed the spectacle of a deeply-moved Politburo member, visibly close to tears.

Gorbachev Addresses Supreme Soviet on Summit Results

*LD1206093390 Moscow Television Service in Russian
0555 GMT 12 Jun 90*

[Address by USSR President Mikhail Gorbachev at USSR Supreme Soviet session at the Kremlin—live]

[Excerpts] [passage omitted] Today, however, this path [toward European integration] is inseparable from the ongoing processes toward the unification of the two German states. I consider it essential—here on this lofty platform—to declare once again that we regard the Germans' longing to live in one state with complete understanding. But German unification has external aspects, too. These include the border question; the question of a unified Germany's military-political status; the question of the rights of the four powers that were victorious in the Second World War. The future of peace and security in Europe largely depends on how these questions are resolved. For understandable reasons, the just solution to all these problems is of particular significance to our country and our people. Our people's historic memory, together with its concern for the future of future generations, requires that everything must be done to ensure that the country's security is reliably safeguarded—even in the conditions of the abrupt changes that are occurring in Europe. This approach of ours is fully in line with the interests of all other peoples in Europe, not least the German people.

A particularly important time is now upon us. How can we combine further pan-European progress with a just settlement to the external aspects of a unified Germany, combine them in such a way that the mighty and promising trend toward placing the whole of European life on a new footing does not go for naught? The stakes are too high. That which is going on in the world at the moment is too important for us to allow ourselves to come to grief over a single, albeit extremely complicated problem.

The main thing is—without discriminating against anyone, even in the course of the search—jointly to find a way of resolving the German question that is suited to the constructive vector of the pan-European process and which would promote greater confidence and not the destruction of what has already been accomplished. A way that would be lasting and would, in some measure, as far as possible, be synchronized with the European processes. There could be various ways of going about such a synchronization.

I said to President Bush that, instead of insisting on a unified Germany's membership in NATO, would it not be better to consider how to bring together the blocs that still divide Europe? For if we want to put an end once and for all to the division of the continent, then we must bring the military-political institutions into line with the trends toward unification that are present in pan-European process.

As far as the Warsaw Pact is concerned, then now, in the wake of the recent Moscow meeting of the Political Consultative Committee, it is setting about reviewing its very nature in accordance with the changes in the whole situation in Europe. For this reason we have every right to expect NATO to set about meeting us halfway. We would welcome changes to the alliance's military doctrine that was engendered by the Cold War. Moreover, we would welcome it if this occurred at the upcoming July meeting of NATO's council in London.

Within this framework the issue of guaranteeing the security of a united Germany would also be tackled in a new way, let's say by constructing it on two pillars, not just in the West but also in the East. By way of hypothesis, this could be some form of associated membership of two alliances—while these exist—on the part of the new German state. Such dual membership could become a linking element, a sort of precursor of new European structures. We also do not rule out the possibility that NATO and the Warsaw Pact will survive in some form for a longer period of time than can at the moment be foreseen, and they could conclude an agreement taking into account the emergence of a united Germany and also the transformation of their own organizations.

One way or another, it is clear that some sort of transitional period cannot be avoided. A united Germany could declare that in this period it will observe all the obligations it has inherited from the FRG and the GDR; and that during this period the Bundeswehr would continue to be subordinate to NATO, while the troops in the GDR would be subordinate to the government of the new Germany. Simultaneously, for the transitional period Soviet troops would remain on the territory of today's GDR. Thus, the concern of many countries would be lifted and the formation of the future structures of all-European security would be encouraged.

We said to the President that if at any moment of the transitional period the United States gets the feeling that the Soviet Union is attempting to infringe its interests, Washington would have an unconditional right to withdraw from the accords and to take appropriate unilateral actions. On the other hand, it must be clearly understood that if we get the impression that we are not being reckoned with on the German question, the positive processes in Europe will find themselves in serious jeopardy. This is no bluff. With due regard for the fundamental interests of the people, we would have to stop and take stock of the situation. There is no need to say that one would very much not like to see such a turn of events. I think I have properly understood the main

roots of the present U.S. position on Germany's joining NATO. Washington considers the U.S. military presence in Europe as a factor for stability and wants to keep it. I told the President that I considered that the U.S. presence in Europe is not a problem for us, inasmuch as it plays a certain role as far as stability is concerned and is an element of the strategic situation. Reality will tell what will happen in the future. Europe is the natural center of world politics, and if distortions are allowed here, the consequences will affect the whole world. Soviet-U.S. cooperation is one of the pillars on which European political stability rests. At the same time, I consider it a methodological mistake—and I told George Bush this—to strive to tie the U.S. presence in Europe exclusively to NATO, and to regard the FRG's withdrawal from NATO as the beginning of the end of this alliance, and thus of the end of the U.S. military presence on the continent. We do not agree with this inference, but we take cognizance of the United States concern, particularly with regard to today's realities. What was the reaction to our position in Washington? Bush kept attempting to clarify why we fear Germany's joining NATO, tried to assure us that everything would come out alright and that there was no intention to encroach on our interests and security.

They are prepared to take them into consideration and have formulated nine points through Secretary of State Baker. Our position is that we have agreed, would agree, to entry if you took an associative part. This is the principle of rapprochement between the blocs, taking place in tandem with the process of German unification. During this the current obligations of both the FRG and GDR will not change provided that, at the same time, the blocs reform themselves organizationally in accordance with the Vienna and all-European processes.

The dialectics here are very complicated. But it has to be said that if, prior to my trip to Washington, both Washington itself, the President, and the Europeans had taken up iron positions, as we say, in these cases, reflections have now begun. Reflections have begun. We would like, and this is the Soviet Union's position, solutions to be found precisely and jointly that would be part of the overall positive trends of change in Europe and throughout the world, strengthening security rather than shaking it or reducing it. The search for such decisions continues at the moment.

There has already been another brief meeting between Eduard Amvroseyevich Shevardnadze and James Baker in Copenhagen. I had talks with British Prime Minister Margaret Thatcher. We agreed to instruct our ministries of foreign affairs to deal with this matter specially and on a bilateral basis. Yesterday, our minister of foreign affairs met with Genscher, the FRG minister of foreign affairs, in Brest. It is too soon to be talking about results but we will continue these efforts, full of goodwill and responsibility.

I also have to say that we can also see growing understanding for our arguments and concerns from the other

side. I can assure you deputies that during further meetings, in particular, the meeting soon to be held between the foreign ministers of the United States, the USSR Great Britain, France, the FRG and the GDR, in Berlin, we will unfailingly defend the interests of our country's security while recognizing the right of the other states to equal security, showing the necessary flexibility and taking into account the interests of all the states involved.

Arms Control Issues

Permit me now to brief you on how things stood on the main points of the negotiations. Regarding the problem of reducing nuclear and conventional weapons, the agreements reached in Washington are the result of four years of Soviet and American efforts in this direction. Coordination of the main provisions of the future treaty on reducing strategic offensive weapons by 50 percent, which was begun even before Reykjavik, was completed. Important problems also were resolved relating to the numbers of, and limiting the deployment of air-based cruise missiles on heavy bombers and sea-based cruise missiles. Right up until the last minute, right up until the very date of the visit, one may say, these were a subject of disagreement. Now a real opportunity has been created for completing preparation and signing of this treaty this very year.

So as a result, may we be confident the forthcoming reductions of the USSR's and United States' strategic weapons are of equal value? Undoubtedly so. Does the future treaty ensure parity in the numbers of strategic delivery vehicles and nuclear weapons on them? Each side has the right to deploy 1,600 delivery vehicles of strategic nuclear weapons, including heavy missiles, on submarines and heavy bombers, and 6,000 nuclear weapons on them. This treaty does not encompass sea-based cruise missiles: limits are placed on these in a separate document, a supplement to the treaty. We posed the question in this way from the very start, for in our opinion—and this in the end was recognized by the U.S. side—if we reduce only strategic offensive weapons, but leave beyond our purview sea-based cruise missiles, then the Americans—by virtue of the highly-developed naval fleet at their disposal, and which is continually growing—could rapidly forge ahead and destroy the balance which can be attained at a lower level following a 50 percent cut.

In addition to the 6,000 weapons, the USSR and the United States each possess the right to deploy 880 such missiles on submarines and surface ships of certain types. That is, a level is established and fixed, which is something which had not been possible to reach at all throughout the negotiations. Now this is done. Besides this, according to the rules for counting air-based cruise missiles on heavy bombers, the United States has the opportunity to deploy roughly 800-900 more of such missiles than the Soviet Union. However, we, according to the same rule for counting, many deploy, if we desire,

40 percent more bombers of this type. For instance, the United States could have 150 and the Soviet Union could have 210.

Thus, the United States may deploy roughly 8,300, and the Soviet Union may deploy 7,400 weapons belonging to all types of strategic-nuclear-nuclear weapons. To the uninitiated, this looks like a concession. However, the launching of air-based cruise missiles will be fixed at 600 km and over according to the treaty. The scrap, so to speak, over this lasted four years. The United States has made a compromise here. At first, it insisted on 1,500 km, then 800 km. In toto, the complex parameters of the future treaty have been painstakingly adjusted and are a coordinated balance of concessions and interests.

All of this has to be examined in detail in the Supreme Soviet committees, especially during preparation of the treaty for ratification.

The issue of non-circumvention of the treaty has given rise to serious disagreements and continues to remain unresolved. Referring to special relations with Great Britain in the strategic weapons field, the Americans are insisting on their right to pass on both technology and any types of strategic weapons, without any restrictions. By this token a channel is preserved for evading the treaty, for carrying on improvement and even augmenting strategic nuclear arsenals within the framework of the general NATO strategy. These issues still have to be tackled in a serious manner.

It should be said, and it is worth recalling, that when talks were being held in Reykjavik—and then it was a question of the reduction of medium-range missiles and of the idea of working out and signing a treaty on a 50 percent reduction of strategic offensive weapons—we then made the concession of, for the time being, at this stage, leaving the French and Britain nuclear forces out of consideration.

But after this, we, the U.S., and also the French and British, made statements that they would join in the process of negotiations on reducing nuclear strategic offensive armaments after the Soviet Union and the United States had made 50 percent reductions. Now that we have set down the main provisions and are reaching a stage where this treaty can be signed by the end of the year, the question naturally arises, and we mentioned this both in Washington and also now in our conversation with Mrs. Thatcher. Of course such a formula without restrictions is unacceptable for us, in the sense of modernizing submarines, nuclear weapons on submarines. The talk always has been of replacing Trident I's with Trident II's—and only that. Here they now want to put forward a general formula which would make it possible and which would open up a channel for getting around this. Once again this is impermissible and unacceptable.

A very important agreement was signed in Washington on an 80 percent reduction in chemical armaments, with the subsequent attainment of an accord on completely

destroying them. For a long time the Americans were unwilling for the issue to be put that way, protecting their right to the production of binary chemical weapons. It is especially important they have moved to meet us on this matter, too. Moreover, the agreement opens up the way to signing a multilateral convention on chemical weapons, preparations for which have been marking time for many years.

Protocols have been adopted to treaties limiting underground tests of nuclear weapons and underground nuclear explosions for peaceful purposes. The ratification of treaties signed as long ago as the mid-70's thereby becomes possible: 1974-1976, if anyone remembers and was interested in this. This is a step along the road towards a goal we will never give up—the complete banning of nuclear tests.

An accord has been reached on measures against the proliferation of nuclear and chemical weapons, of combat missiles capable of carrying such weapons and of related technologies. This of itself is very important. If we are only going to agree on reducing and destroying, and if the process of acquisition of missile technology and nuclear weapons is to go on all around us, then once again a situation is created which will require, as it were, everything to be started from the beginning. But it is to be borne in mind that at least 13 states already possess the ability to have nuclear weapons. At least, that is our estimation.

The question of reducing armed forces in Europe was specifically examined. It was noted at the meeting with President Bush that a lot had been done at the negotiations on this question. The prerequisites have been created for the treaty to be ready for signing at an all-European summit by the end of the year. The recent agreement of the U.S. Administration and the NATO countries to start talks overall on tactical nuclear weapons and giving up the modernization of these is certainly a positive step. The NATO position on the problem of reducing air forces is a complicating factor.

They are insisting on inclusion of land-based naval aircraft in the Vienna talks, while it would be proper to consider this question at future talks on the reduction of naval forces as a whole. Our naval aircraft are based on land, whereas in the United States they are based on ships. Thus it turns out we are putting off talks on naval forces, but ours are going to be put into the equation. This is naturally unacceptable.

One also has to bear in mind the United States' position on including a united Germany in NATO, something that could substantially alter the balance and distort the existing security structure. In this event, we would be forced to reconsider anew much of what constitutes the subject of the Vienna talks, inasmuch as the continent's whole strategic situation would change.

At the talks on reducing nuclear and conventional weapons, problems relating to the fundamental interests of the country's defense capability are being examined

and solved. For this reason the talks themselves and the preparation of directives for them are being conducted by a large collective of qualified specialists from the Ministry of Defense, primarily the General Staff, the Ministry of Foreign Affairs, the USSR Council of Minister's Military Industrial Commission and other departments.

Collectives of scientists from the USSR Academy of Sciences and other research establishments are systematically brought in. The directives for the talks are developed through research and business-like discussions. Of course, various opinions and arguments arise during this, which in the final instance are reduced to a single denominator.

On the whole I consider that in Washington major results in reducing nuclear and conventional weapons were achieved, and groundwork has been created for the future, by defining principles on which talks will be conducted in the coming years. All this has immense significance. Yet one more practical step has been taken in implementing the ideas of a nonviolent, non-nuclear world.

There still is much difficult work ahead in this direction. But dismantling has begun of the grandiose monument of the cold war, which has stood before the present generation of people: the potential for mutual destruction. I already have said that even taking apart such a monument is not a simple matter, and is even not without dangers. For this reason it is necessary to act without haste, attentively and painstakingly adjusting the balance at every new stage of the movement towards the goal. Here even the tiniest distortion can have destructive consequences for the whole work that has begun.

It is necessary to say that we have agreed and signed an agreement on the destruction of 80 percent of chemical weapons. Now the task of technology will stand before us—how can this be done? It turns out this is not simpler but more difficult than to produce them. There was an exchange of views with the President on this matter, with a view to exchanging technologies for destroying chemical weapons.

The Soviet Union and the United States bear their share of responsibility for the fact the postwar period was one of exhausting and dangerous confrontation, which drained resources and deformed not only the economy, but also social development as a whole. It is unprecedented and important these same countries also have taken on the responsibility for dismantling the mechanisms of East-West military confrontation as a whole, as soon as possible, so the opportunity will arise for using disarmament to free resources for tackling social problems and for improving people's lives. If the world has changed in the last few years and has advanced in the direction of a truly peaceful period, then a decisive contribution to this belongs to the USSR and the United States of America.

Gorbachev Answers Deputies' Questions

LD1206185890 Moscow Television Service in Russian
0708 GMT 12 Jun 90

[Question and answer session with USSR President Mikhail Gorbachev at the USSR Supreme Soviet session in the Kremlin—questions read by Gorbachev; live]

[Excerpts] Comrade Koltsov asks: The U.S. President said, in his report to Congress in March 1990, that the United States has rejected our proposal for talks on reducing naval forces. The same report sets out the arguments for the unacceptable nature of these cuts for the United States. The question: Does this mean that this U.S. stance is forcing us to develop our navy further and, above all, to improve our large aircraft carriers? Comrade Koltsov.

I think that the matter is developing, the process going on, in such a way that one way or another we will come to these types of armaments too in subsequent stages. Now, at the first stage of the Vienna talks, naval forces have been postponed until the next stage. I have to say, however, that I said in jest to the Americans and to President Bush as well, that there has always been a great predominance of those who used to serve in the U.S. Navy among the administration. Mr Bush himself is, after all, a naval pilot. This no doubt always has an effect during the discussions. They have, as it were, a protected zone, and it is hard to get at it, etc. No, I personally can understand this and I think that it is so for all the military and people of more or less experience. They don't have to be such great specialists. I understand.

What U.S. society consumes demands the input of vast resources from all over the world on a regular basis, and in order to maintain these communications, which are of vital importance for the United States and which cannot be interrupted for a single day, it is natural that they see the navy as a very important component of general policy, not to mention the fact that it is, of course, also an important component of military confrontation. All the same, I do think that at subsequent stages—we don't need to make guesses—when it all continues, we will come to this favorite baby of the U.S. Administration.

I have not answered the second part on whether this means we should carry on too. I think we are doing so and we will do what we think is necessary within the framework of the navy.

Comrade Gryazin just shook his head. He is saying: There you are, see, the money will go off somewhere again! [murmuring from the hall] But I did not say aircraft carriers. The question really does mention them but I said we will do whatever we need to do.

We ask that we, the Supreme Soviet and the People's Deputies, be told how much from the budget can be channeled into social programs as a result of signing the accords to cut strategic weapons, chemical weapons, etc.

We also ask you to tell us by how great a percentage the military budget will fall in connection with the said accords.

Comrade (Moshnyaga) looks at the root of the matter and we are looking at this too, because generally we are really pursuing two aims in dealing with and implementing the principles of a new foreign policy, what we call the new thinking. The first is the creation of the necessary, favorable external conditions for those tasks we are tackling within the country and, in general, the preservation of peace with the aim of solving the common task of civilization; the survival of mankind. This is the first thing.

Second, second, of course, we want to unburden our economy. No other economy is as overburdened as ours because if you compare the fact that we have guaranteed strategic parity with such a large country that produces at least twice as much as we do, by the most modest calculations, then this means that it is affected only half as much. And indeed, it has always been five, eight percent at the most. Occasionally, in specific years, I think when Mr Reagan arrived, it was 10 percent, relative to the level of the preceding year—that sort of level, overall. While here it was as much as 16 percent, 18 percent, or 20 percent of the national income.

I think, comrades, that we will examine all this together and will act sensibly so as to solve the two tasks at once. They are two sides of the same coin. We cannot jeopardize the security of the people and the country but how are we to tackle it? I do not want to expand on this now but it will not always be through rubber-stamping tanks. We have rubber-stamped so many of them, and now we wonder what to do with them....Nor will we hurry to [changes thought] Here we need above all to guarantee quality, and it is from this point of view that everything that is connected with military science and with preventing a lagging behind in scientific research work must be resolved here. As for increasing armaments themselves, we shall be carrying out this task according to other criteria. So, we shall be discussing this together.

What form precisely this will take it is too early to say, but I have to say that the figures will be large. However, the matter, the most important here, arises that we must work out our approaches to conversion very thoroughly now. If we were to continue preserving—and thank God, as they say, we have already spotted how many foolish things we did in the initial stage when active and good fixed assets and the cadre potential of our military and industrial complex, let us say, or the defense sector, began to be used as garbage—it will, of course, be a great failure. But fortunately, we have recognized all of this now and very interesting programs are beginning to emerge here now. I think that soon, generally speaking, first in the government and then at the level of the Supreme Soviet, we shall have to arrive at a national conversion program that will take into account the possibilities of that defense sector for solving our tasks

and problems, which arise in connection with our economy's about-turn toward the individual.

Nikolay Vasilyevich Neyland says that at the press conference with Mitterrand I put forward the idea of a united Germany's membership in NATO in the same way as France, in the same way as France—to be in the political organization without entering the military organization. Well, in the first place, during more profound study, and this was talked about with the President, especially at Camp David, where a degree of openness, as it were, had already been achieved—then, you know, all this was revealed as a myth. In general, NATO's plans take into account France's Armed Forces. And I think that the intelligence service has told us about this as well. That's in the first place.

Second, the fact that we are now going toward such a scenario, I think, makes it more reliable. If, look, the first reaction at the Political Consultative Committee session on reforming our treaty in the direction—moreover quickly, they will develop it strongly within the space of a year, and change the structure. So on the basis of that defensive doctrine which has been developed and established, and if the ministers of foreign affairs who are preparing the NATO summit meeting in July in London have found it necessary and expedient to respond—and moreover, you will recall that this address has been drawn up in a very positive manner—if this is followed by practical deeds, I have in mind, and this was the subject of particular criticism from our side, that in point of fact we cannot fail to see that the West considers that movement should be only from our side. It is for this reason that I spoke briefly on this. I let slip one phrase: The West has to change as well—and by the way, these changes are already in progress. And there are plenty of problems there, so that these changes might proceed. When the President and I were flying from Camp David in a helicopter, and I was looking at a suburb of Washington, [I said to myself] what kind of suburb is this, who lives there, how much does such a house cost, and so on. Well, the houses are not our prices! And then the President himself came over to what I was saying. Well, what is this? If such houses are being built and bought, well, do you have a lot of them here? No, he said. I have to say, Mr President, that there are plenty of our own problems in America. This is at a different level, perhaps, but very many, and we need this kind of policy which we are now...[changes thought] Some of the problems, I am even afraid to approach them, the President said. They exist both from the internal and foreign point of view.

So then, regarding your question. Once this atmosphere of confidentiality had arisen—that's how we talked—the matter looks like this, comrades: If we advance along the road NATO is to take and which the Political Consultative Committee has taken, the possibility of concluding an agreement really opens up. Incidentally, we have already spoken at the practical level with Mrs Thatcher and even thought about the structure of this declaration and what it would enshrine. That is the first thing. In this

way, the fulcrum for military confrontation today, given changes in both blocs and in the doctrine and structure of the armed forces and reduction on the basis of the Vienna talks and their transformation into political organizations, opens up the possibility that on the basis of these already existing structures, these same all-European security structures could be started. We wondered why there should not be some kind of supra-union body that would implement and monitor reports, exchanges, and the degree of trust, and a whole series of proposals arose at this. Why should not obligations be retained on both sides, not to mention that the Bundeswehr should be cut correspondingly and let it be part of NATO, while in the GDR, troops that had also been cut must belong to the central government and not be an element of NATO. And our troops...[changes thought] When you make a whole list, a new kind of associative form is obtained which must be thought through further, and we will do so. Concrete problems are already accumulating which could change this and, most importantly, it will be synchronized with the process of building all-European structures, regarding the economy, a legal space, a cultural space, and the military sphere: security. We said this—we are not claiming that this was our version—Let it come from anyone...Mrs Thatcher...whoever as long as it corresponds to our common interests.

Comrade Kirillov has asked the question: Do you not sense the need for depoliticizing the Soviet Army in view of German unification, the German dual membership of NATO and the Warsaw Pact, the political changes in the Warsaw Pact countries, and also the inevitable coming to power of various parties in various republics of our union? No I do not. [laughter in hall]

Esteemed Mikhail Sergeyevich, is a nuclear-free world reality or myth? Is it nevertheless necessary to support nuclear weapons at some level as a deterrent factor?

Your point of view coincides with Mrs Thatcher's point of view and, since you are from Kiev, I think that her statements have exerted some influence on you! I have been holding discussions with her since 1983-84, and so far her point of view has not exerted any influence on me. On the contrary, on 15 January 1986 we arrived at announcing our program of a nonviolent nuclear-free world.

You know what? When we made this statement in January 1986 the first responses were that these were illusions. The international affairs specialists will recall at once; that's how it was. Comrade Burlatskiy or Velikhov will confirm this, incidentally. Well, the illusion is now such that we have now come right as far as the signing of a treaty on a 50 percent cut. So let us follow this path on which we have embarked. I believe that since Chernobyl we have been even more convinced that we must follow this path. Well, imagine! One block at one station, one emission, and such an enormous country as ours has still not coped with it. And how many new things keep opening up for us? Fourteen

billion rubles have been spent on this. So this is madness, and any war, the most localized, as it were—it cannot be localized. So this is nevertheless a great political aim and we must pursue it.

Comrade Petrushenko...I couldn't even hear Comrade Petrushenko and I can't see where you are sitting. Ah...I couldn't hear that...that the president... the Nevada movement, in an interview with NEDELYA, substantiated the need and the expediency of unilateral nuclear disarmament. What would President Bush and President Gorbachev say about this? Well, I don't know about President Bush but I am sure that he would be against it so long as...[changes thought] You see, we are proposing all the time that we cease nuclear tests. All the time. It doesn't happen. It doesn't happen.

But I think that as far as the expediency of unilateral nuclear disarmament is concerned, I think we are generally on the right road and moving together. And you know, this makes a lot of things much clearer. We know that control and cooperation are being established, the second stage of confidence. Let us go on in this same way.

Where it was necessary, we embarked on unilateral steps, you know, where we obviously had surpluses, so to say. But in principle I don't think...[changes thought] Sometimes there is a need to embark on a unilateral step in order to stimulate things, so to say. This is all maneuvering, it is politics, it is strategy and tactics, and here, so to say, everything has to be thought about. Sometimes not everyone understands why we suddenly embarked on this step. I do not rule out unilateral steps, but if we are to speak about nuclear disarmament, I think we are on the right path. We have given up nuclear missiles by 50 percent. Now Mr Bush has recognized this idea of tactical nuclear weapons. They have abandoned modernization and are ready to start talks. And probably after the signing—as we agreed conditionally—in Vienna this year of the first agreement on the results of the talks, we shall start talks on tactical nuclear weapons. So everything has been covered, so to say.

Comrade Peters asks whether the question of turning the Baltic republics into a nuclear-free zone or, even better, a demilitarized one, was discussed. It was not discussed on such a specific level, Comrade Peters.

The comrades from Murmansk have asked another question; that I am talking about Semipalatinsk and am saying that measures are being taken on reducing, on reliability, but, they say, the load is going to Novaya Zemlya. Well, in general, we have always considered this problem together. Comrade Suleymanov has said that something should be read out without fail. Well, he has a way with words and always writes in such a convincing and clear manner, but, for all that, the idea comes down to closing it. Isn't that so, Comrade Suleymanov? It's about closing it? [Unidentified speaker says: "Yes, of course, about closing it."]

Well, generally speaking, I am, in principle, a supporter of yours. [indistinct intervention from the floor] As everyone, I understand. About closing it. But we need to weigh everything up here, as it were. We are talking about our common destiny, after all. There cannot be an ill-considered decision here. We will continue, Comrade Suleymenov, we will continue so that everyone living in Kazakhstan will understand us, just as in the north, that the whole thing is so that it can be closed, right up to a closure, but this situation must be arrived at. [murmurs from hall] No, to arrive at this situation, at a closure. Comrade Prikhotka from Transcarpathia says that the construction of a radar station has become an acute issue and he asks whether halting construction of this station has been discussed. Well, I don't know. Vladimir Antonovich should tell you about this. We had a conversation about this radar station once, about the state of this problem. [indistinct voices from hall] Vladimir Antonovich and his comrades will find out about this, I think. Because you are saying that we should expand upon these stations, it means, evidently, that some questions have arisen regarding this station. We will find out. Thank you for your attention, comrades. [applause]

Negotiator on Differences on Mobile Missiles

*PM1206104390 Moscow KRASNAYA ZVEZDA
in Russian 12 Jun 90 First Edition p 3*

[Interview with G. Khromov, member of the Soviet delegation at the USSR-U.S. Geneva talks on nuclear and space arms, by unnamed KRASNAYA ZVEZDA correspondent: "For the Sake of Equal Security"; date and place of interview not specified; first two paragraphs are introduction]

[Text] Even now, after the Washington summit meeting, you can encounter reports in the Western press, above all the U.S. press, saying that the Soviet Union is to blame for the delay in the preparation of the treaty on 50-percent cuts in strategic offensive arms, since it rejects the U.S. proposal for a ban on MIRVed ICBMs, including mobile-based missiles.

In this connection our correspondent asked G. Khromov, member of the Soviet delegation at the USSR-U.S. Geneva talks on nuclear and space arms, to provide the requisite explanations. This is what he said:

[Khromov] MIRVs for ballistic missiles first appeared in the United States 20 years ago. In 1970 the silo-based "Minuteman-3" missiles began to be fitted with them, followed by the "Poseidon" submarine-launched ballistic missiles (SLBMs) in 1971. One missile of this type replaced several previous missiles—single-warhead missiles carrying warheads with a single nuclear charge. Moreover, each warhead on the new-type missiles could be aimed at an individual target. The "Minuteman-3" was subsequently flight-tested with between three and seven warheads, and "Poseidon" was tested with up to 14.

These missiles represented a considerable destabilizing factor. One side gained an opportunity to rapidly increase its strategic potential, while the other (which did not possess missiles of this kind) could have been "tempted" to strike first and knock out important targets like MIRVed missiles, particularly in areas where they were concentrated.

Realizing that things were heading toward a new round of the arms race and serious disruption of stability, in 1974 the Soviet Union proposed banning (or limiting in some other way) this kind of weapon. The proposal was rejected. The U.S. side was proceeding on the premise that U.S. technological superiority would also secure U.S. strategic superiority. However, the calculations that we would lag behind for many years proved groundless. The first Soviet MIRVed ballistic missiles appeared in 1975. Once again the possibility arose of not only talking about strategic balance, but also ensuring it.

Nevertheless, the idea was increasingly maturing among the scientific community and in military circles in the USSR and the United States that they should seek to attain stability in relations between the two countries and deter one another from making a surprise attack not by increasing the number of nuclear arms—albeit in equal quantities—but through the lowest possible levels of these arms. Enhanced survivability would make it possible to retain forces for a retaliatory strike and thus deter a potential aggressor from a surprise attack.

This concept was articulated quite clearly in the early 1980's by President Reagan's adviser, Scowcroft. Approved by the U.S. Administration, it envisaged a gradual transition to strategic arms carrying a reduced number of nuclear charges and to arms with maximum survivability, that is, a transition to mobile basing (road or rail). It was proposed to implement the idea of developing strategic forces while at the same time reducing the number of ICBMs by means of a USSR-U.S. treaty on reducing strategic offensive arms.

This approach certainly seems reasonable and could not fail to win support among those people who were and still are striving to find a way out of the impasse of dangerous nuclear confrontation. But it must be stressed most forcefully here that it is impermissible to seek one-sided advantages during the process of reducing strategic offensive arms while simultaneously changing their structure by retaining the arms least conducive to a first nuclear strike—after all, one side's security cannot be ensured at the expense of the other side's.

In today's conditions to raise the question of banning mobile-based MIRVed ICBMs, as some people in the West are doing (and banning these arms alone), is tantamount to an attempt to procure one-sided advantages. At present only the USSR has arms of this kind. Our country, with its vast territory, has resolved the task of creating mobile systems with enhanced survivability, primarily ground-based systems. What about the United States? Gravitating more toward the sea than we are, it

has created a grouping of mobile sea-launched strategic offensive arms—MIRVed SLBMs—which is considerably superior to the corresponding Soviet grouping. It is for precisely this reason that the Americans are endeavoring by hook or by crook to prevent any measures to limit and reduce their grouping. Yet it is quite easy to prove that MIRVed SLBMs are no more "peaceful" a weapon than ground-based mobile MIRVed ICBMs.

Nevertheless, we have not evaded discussing the question of our mobile missiles either. It is well known that a definite accord was secured at the Washington summit meeting regarding such missiles. As for the problem of MIRVed ICBMs in general, it is to be resolved outside the framework of the strategic offensive arms treaty currently under preparation in Geneva. It is thought that it should be the subject of future talks on nuclear and space arms.

Gerasimov on Tactical Nuclear Weapons Reduction

Launchers, Artillery, Warheads To Leave Central Europe

LD1306175290 Moscow TASS in English 1726 GMT
13 Jun 90

[By TASS correspondents Mikhail Ivanov and Leonid Timofeyev, from the USSR Foreign Ministry Press Center]

[Text] Moscow, June 13 (TASS)—Soviet Foreign Ministry spokesman Gennadiy Gerasimov delivered explanations on the Soviet Union's unilateral decision to reduce tactical nuclear weapons in Europe at a briefing here today.

He recalled that the Soviet Union had taken major unilateral steps in this field last year by withdrawing 500 nuclear warheads from the territories of its allies. In addition, the Soviet Union did not modernize its tactical nuclear missiles in the years 1989-1990.

"In July 1989, Soviet leader Mikhail Gorbachev declared in Strasbourg about the Soviet Union's intention to undertake further cuts in tactical nuclear missiles in Europe, if it was obvious that NATO countries were ready to negotiate this issue. At the recent Soviet-American summit the Soviet Union suggested that such talks begin already this autumn," Gerasimov said.

In order to create favourable conditions for such talks, the Soviet Union decided to further reduce its tactical nuclear weapons in Europe. The decision should be regarded as practical implementation of Gorbachev's Strasbourg statement (the Soviet Union's intentions were declared by Soviet Foreign Minister Eduard Shevardnadze at the opening of the second meeting of the Conference of Human Dimension in Copenhagen).

"Specifically," Gerasimov went on to say, "the Soviet Union is planning to reduce 60 launchers of tactical

missiles (whose range is shorter than those being eliminated under the INF treaty) in Central Europe—the German Democratic Republic, Czechoslovakia, Hungary, and Poland—before the end of this year," Gerasimov said.

"Besides," he went on to say, "more than 250 units of artillery weapons capable of using nuclear ammunition will be removed from Central Europe. In the Soviet Union such weapons include heavy artillery guns with a calibre of 152 millimeters and more. Finally, 1,500 nuclear warheads, including the warheads of the missiles being cut, nuclear artillery shells, and nuclear air bombs, will be withdrawn from this zone. [no end quotation mark as received]

Gerasimov emphasised that the Soviet Union was planning to extend its unilateral reductions beyond the boundaries of Central Europe: A total of 140 tactical [as received] missile launchers and 3,200 artillery weapons, capable of using nuclear ammunition, will be eliminated in Europe by the end of this year.

These measures will be taken by the Soviet Union unilaterally without any preliminary conditions. "We believe that they create favourable conditions for the forthcoming talks on tactical nuclear missiles," Gerasimov said.

He also recalled that the Soviet Union also suggested eliminating tactical nuclear weapons, including a nuclear component for dual purpose means, as well as planes capable of carrying nuclear weapons.

Species Missiles Affected

LD1306195490 Moscow Domestic Service in Russian
1500 GMT 13 Jun 90

[Excerpt] At the USSR Foreign press center in Moscow today, a briefing on current questions of international policy was held for Soviet and foreign journalists. It was conducted by Gennadiy Gerasimov, head of the Information Directorate of the USSR Foreign Ministry. In connection with the numerous questions from journalists as to what lies behind the USSR's announcement of its readiness to unilaterally reduce its tactical nuclear weapons in Europe, he said:

[Begin Gerasimov recording] In central Europe, i.e. on the territory of the GDR, Poland, the CSFR, and Hungary, by the end of this year the USSR will cut 60 tactical missile launch pads whose range is lower than those being liquidated under the INF treaty with the United States. In the USSR the missiles affected are the R-17, known in the west as Scud-B, with a range of 300 km; the Tochka missile, known in the West as SS-21, range 70 km; and the Luna, range also 70 km. Besides, more than 250 units of artillery weapons capable of using nuclear ammunition will be removed from central Europe. [passage omitted] [end recording]

MiG-27 Bombers Reported Redeployed on Kola Peninsula

LD1406193990 Budapest Domestic Service in Hungarian 1800 GMT 14 Jun 90

[Text] The Soviet fighter bombers which left Debrecen recently have been deployed on the Kola Peninsula. This was announced by the Norwegian Defense Command, adding that the fighter bomber squadron's MiG-27-type planes can also be fitted with nuclear weapons. Thus they significantly increase the northern Soviet Air Force's attack capability. They stated in Oslo that earlier Moscow used to station fighter bombers in the territory only on the occasion of certain maneuvers.

Defense Ministry Statement on Troop Reductions

LD1406165890 Moscow TASS International Service in Russian 1557 GMT 14 Jun 90

[Text] Moscow, 14 June (TASS)—We convey the official statement of the USSR Ministry of Defense:

"The Soviet Union is consistently implementing the decision adopted unilaterally on reducing its armed forces. At the present time their number has decreased by 296,600 servicemen. The 13th Guards Division, withdrawn to the Soviet Union from the territory of Hungary, and the 32nd Guards and 25th Tank Divisions, withdrawn from the territory of the GDR, have been demobilized. Besides this, a number of airborne assault and assault crossing units and sub-units, with the standard-issue weapons and hardware, have been withdrawn from groups of troops.

In the course of bilateral Soviet-Czechoslovak and Soviet-Hungarian negotiations, accords have been reached on the complete withdrawal of Soviet troops from the territory of the CSFR and the Hungarian Republic. In 1991, in all, seven divisions, of which three are tank divisions, will be withdrawn. The withdrawal of troops from Czechoslovakia and Hungary considerably extends the scale of the unilateral reduction of the USSR armed forces.

At the same time, it must be taken into account that a new military-strategic situation has arisen in Europe since the moment of the Soviet declaration on the unilateral withdrawal of six tank divisions from the GDR, Czechoslovakia, and Hungary and their subsequent demobilization. However, beyond this, acting in the spirit of M.S. Gorbachev's speech to the United Nations Organization of 7 December 1988, the Soviet Union has demobilized three more tank divisions in the European part of the USSR.

Thus as was envisaged, six tank divisions have been withdrawn from the ground troops and demobilized.

On the agreement of the Mongolian People's Republic Government, the Soviet troops temporarily deployed there are also returning home."

Grinevskiy Comments on Vienna Arms Talks

LD1406191290 Moscow TASS International Service in Russian 1115 GMT 14 Jun 90

[By TASS correspondent Vladimir Smelov]

[Excerpts] Vienna, 14 June—Today's plenary session of the talks on conventional armed forces in Europe was visible evidence of the possibility of resolving the most complex questions at that forum, if there is the political will for that. The heads of the delegations of France and Poland announced at the session that an accord had been reached in Vienna, leading to the reduction of tanks and armored vehicles. [passage omitted]

The solution that has been found, said Oleg Grinevskiy, head of the Soviet delegation and ambassador-at-large, in a conversation with the TASS correspondent, signifies a considerable move forward. The path was not an easy one; it was paved as a result of long and complex discussions, of a considered account of the concerns and interests of the East and the West. The talks that took place during the recent Soviet-U.S. summit in Washington were not insignificant, if not of definitive significance, in finding a compromise. We, the diplomat continued, agreed with the plan of the proposed solution and with its package form. Numerical parameters are its main content. They are all acceptable to us. There is mutual understanding that will create a solid, yet at the same time a flexible basis, paving the way for the work on the definitions of tanks and armored vehicles to be concluded soon, and for the agreed formulation of the relevant clauses to be begun, he added.

'Considerable Progress' Seen in CFE Talks

LD1506205190 Moscow TASS International Service in Russian 1405 GMT 15 Jun 90

[By TASS military affairs observer Vladimir Bogachev]

[Text] Moscow, 15 June (TASS)—In spite of the pessimistic forecasts of certain political observers who have been claiming that "Moscow has lost interest in the talks on conventional armed forces in Europe," considerable progress has been achieved in Vienna of late, opening the way for formulating the provisions of the future treaty in the part which relates to reductions in the tanks and armored vehicles of the Warsaw Pact Organization and NATO countries. All that remains for the sides to do in this area is to agree certain details connected with the weaponry of armored vehicles and their combat designation.

The road to reaching a compromise was not easy. For almost a year, the participants in the Vienna talks held discussions on a number of complex technical problems, linked to armored vehicles. Often the technical difficulties were complicated by military and political factors. Certain countries in the West, for example, attempted to place their light tanks right outside the framework of the cuts. Differences of opinion arose for a long time between the sides over the criteria for classifying the

tanks and armored vehicles liable to be cut. Even the question of how to assess the weight of armored vehicles, with or without fuel, proved complicated.

Now the main differences of opinion over tanks are armored vehicles have finally been removed. A maximum permissible number of tanks—20,000—is being established for each of the two alliances, the Warsaw Pact and NATO. All tracked and wheeled tanks weighing more than 16.5 tonnes (without fuel) fall within this category. All armored vehicles weighing less than 16.5 tonnes are regarded as armored vehicles, which are in turn divided into infantry fighting vehicles (IFV), armored personnel carriers (PAC), and armored vehicles with heavy weapons. Both NATO and the Warsaw Pact have the right to have no more than 30,000 armored vehicles, to include no more than 18,000 IFV's and no more than 1,500 armored vehicles with heavy weapons.

The progress made at the Vienna talks is an important practical result of the recent Soviet-U.S. summit meeting. As is well known, the Soviet and U.S. presidents instructed their delegations to step up the pace of the Vienna talks and to reach agreements on all unsolved matters without delay. These obligations were upheld by the Warsaw Pact and NATO countries. The agreement in Vienna on the sides' positions on armored vehicles lifts the barriers on the way to achieving mutually acceptable solutions on verification procedures [po protseduram proverki], the exchange of data on the armed forces, and the procedure for eliminating the equipment being reduced.

The most important thing is that the successful conclusion of the discussions on armored vehicles will create a promising precedent for an agreement in Vienna on technical aircraft and this will enable the obligation of the sides to draft a treaty on conventional forces in Europe for signing by the end of this year to be met.

First Stage of Troop Withdrawal From CSFR Complete

LD1506201790 Moscow TASS in English 1955 GMT
15 Jun 90

[By TASS correspondent Vitaliy Yaroshevskiy]

[Text] Prague, June 15 (TASS)—The first stage of Soviet troop withdrawal from Czechoslovakia, conducted strictly according to the agreed schedule, is over.

There were no difficulties and some target figures, contained in the signed documents, have been surpassed. Czechoslovak Deputy Defence Minister Lieutenant-General Rudolf Duhacek and Central Army Group Commander Colonel-General E. Vorobyev believe.

A total of 26,000 soldiers and officers, 550 tanks, 859 armored personnel carriers and other equipment have left Czechoslovakia. Vorobyev stressed that combat

units will be pulled out from Czechoslovakia by 26 February 1991, the date not determined by the intergovernmental agreement.

The second stage, when 25,000 Soviet servicemen and military equipment are expected to leave Czechoslovakia, is to end by 31 December 1990.

Gerasimov on Shevardnadze Letter on Denuclearization

LD1506163890 Moscow TASS in English 1622 GMT
15 Jun 90

[Text] Moscow, June 15 (TASS)—Soviet Foreign Minister Eduard Shevardnadze, in a letter sent on 28 April 1990 to the foreign ministers of Britain, France, the United States, West Germany, Norway, Denmark, Sweden, Finland, Hungary, Bulgaria, Poland, Romania, Czechoslovakia, and the German Democratic Republic, dwelt on the issue of denuclearizing the Baltic Sea.

The contents of the letter were revealed by Foreign Ministry spokesman Gennadiy Gerasimov at a briefing here today.

The letter was motivated by the Soviet Union's quest to step up joint efforts in this area, in view of northern Europe's immense stabilizing importance for the entire European process, and the popular desire to turn these countries into a firm element of the all-European and worldwide security system.

The letter also said that the transformation of the Baltic into a nuclear-free zone is possible "only through multilateral talks with states in the Baltic as well as with nuclear weapons states using its waters".

The Soviet Union believes that the aim of such talks should be the complete removal of all nuclear weapons from the Baltic Sea.

This would mean a ban on the deployment of such weapons on ships and aircraft, a total ban on the passage of ships carrying nuclear weapons from non-littoral states and the flights of their planes with such weapons above the sea, and non-deployment of nuclear weapons on and under the Baltic Sea-bed, including the territorial and internal waters of the littoral nations.

The minister suggested that the nuclear weapons states pledge not to send their vessels or aircraft with nuclear weapons on board to the Baltic Sea and agree to establish control over the absence of nuclear weapons on board their ships entering the Baltic.

Shevardnadze recalled that the USSR unilaterally began the elimination of certain categories of sea-based nuclear weapons in the Baltic.

As a first step, the Soviet Union withdrew from its Baltic fleet four Golf-class submarines and will eliminate two remaining vessels of this type before the year's end.

The minister's letter said that the USSR intends to announce its unilateral decision not to deploy nuclear weapons on its ships and aircraft within the Baltic Sea area and airspace in peace-time and not to deploy nuclear weapons on and under its sea-bed within its territorial and internal waters.

Baklanov: NATO Not Responding to Warsaw Pact Changes

*PM1506151090 London MORNING STAR in English
15 Jun 90 pp 4-5*

[Interview with CPSU Central Committee Secretary Oleg Baklanov by Vladimir Ostrovskiy: "When Applause Is Not Enough"]

[Text] [Ostrovskiy] Are you satisfied with the way Soviet foreign policy decisions are being implemented in the world arena?

[Baklanov] I am worried that some of our foreign policy initiatives may be running too far ahead. They are correct, but as applied to the existing world situation they are premature.

I think we sometimes regard our own correct ideas as having been already achieved. They are indeed novel, but not always reciprocated by our partners in the West.

The new political thinking that we have offered the world will not itself enter others' minds, including certain political leaders. And although no one directly rejects it and although we were even applauded in many Western countries, far from everything that we have offered has found a positive response, especially in the Atlantic alliance, NATO.

True, most people in the world welcome sincerely the shedding of ideological blinkers in our society. Saying goodbye to the "enemy image" that has for decades fed mutual suspicion is meeting the wishes of people around the world.

Civilization, perhaps for the first time, sees ways of changing the world fundamentally; of turning the chance to survive into one of progress for all humanity. Quite understandably, this raises people's hopes.

But our course—from mutual understanding via co-operation to joint action—has already run up against diplomatically erected barriers.

The West is adept at creating sponge-like walls which absorb all valuable and bold initiatives. This is to be regretted. There is a historical and a strategic explanation for that.

But, in fact, the Warsaw Treaty is radically changing its nature. It is becoming a political rather than a military organization.

Some Western papers describe this as its collapse. They take as their starting point the declaration adopted recently in Moscow.

The declaration leaves no doubt that those who attended the political consultative committee's session—top representatives of the Warsaw Treaty Organisation's member countries—are in favor of a new European security system, for a single Europe of peace and cooperation.

And what is so remarkable about it?

From Scotland, where the NATO Council met a few days ago, we also heard many Western political leaders, including British Premier Margaret Thatcher, but none of them made specific proposals in reply.

True, they had kind words about us. But as you may remember, such words about Moscow were uttered in the West earlier, too. The West readily encouraged us to take unilateral steps in disarmament and reduction of our troops.

In the meantime they took steps to strengthen their military alliance, sticking to old doctrinal and political positions.

In short, our Western partners would like to proceed only from conditions favourable to them.

They recognize our worries and interests only in words, without making any specific moves in their foreign policy and arms control.

In this connection I would like to note that there are people in the Soviet Union who think that if the Soviet Union disarms itself unilaterally, NATO, moved to the bottom of its heart by such a step, would disband itself in reply.

That is a deep delusion.

[Ostrovskiy] Allow me to ask you about the prospects for European security structures in this context: Do you belong to those who reject such an option? Perhaps you think that what the declaration says about confrontational elements in past documents of the Warsaw Pact is premature, and that NATO is out of step with the spirit of the times?

The East European countries proposed to NATO that they should cooperate in a constructive way for European stability and disarmament, promoting confidence and asserting the principle of defence sufficiency.

Can the West evade these proposals in the current situation in the world?

[Baklanov] I do admit the possibility of such developments although I do not preclude that NATO can evade making radical steps in reply. At the same time I am convinced that new European security structures will become a reality. Humanity simply has no other way.

But I would like to warn you against going to extremes, against acting like a wood-grouse which hears only itself and not the hunter. Such a position is fraught with frustration, if no more.

The Warsaw pact member-countries have embarked on a real transformation of their alliance into a political one, while our Western partners are only proclaiming their intentions while remaining in the same positions.

No one in NATO has dropped the strategy of forward line defense, flexible response, nuclear arms modernization, and there are the plans to build up NATO by incorporating a unified Germany into it.

Seen in this way, present positions do not offer adequate approaches, nor hopes for mutual trust, which we would like to see established in relations between states.

Mind you, mistrust comes from NATO, not from us. We are withdrawing troops from central Europe, and cutting them down unilaterally. In brief, we are leaving, while NATO is staying put and, as far as I can judge, becoming stronger.

[Ostrovskiy] Despite a statement at the NATO Council's session in Scotland that the alliance was extending the hand of friendship and cooperation, the United States plans to site new air-to-surface nuclear missiles with an enhanced range in Britain, West Germany, Italy, Belgium, and other NATO countries.

Plans are coordinated to deploy nuclear cruise missiles on ships and submarines to hit ground targets by NATO naval forces.

It is not accidental that the United States is refusing to talk with us on reducing naval forces and eliminating sea-based tactical nuclear weapons. This is to its disadvantage.

The fact is that the U.S. naval forces have seven times more air-capable ships and aircraft carriers and more than 10 times more ships with cruise missiles.

Given such a ratio, can we expect NATO chiefs of staff and political leaders of NATO countries to make a fundamental change in the activities of the alliance?

[Baklanov] I am not going to make an inventory of NATO decisions, as we would not see the wood for the trees. But the trend is clear enough.

I think we should pause, look around and see what kind of balance of forces is now emerging in Europe.

So far it is not favoring parity. On the contrary, everything points to the fact that it won't be us who will upset the balance.

By all appearances, including the most self-evident ones, NATO is taking advantage of the new situation on the continent.

A disbalance of forces is developing. I recall President Gorbachev's recent statement that it is necessary to decide what to do with the Vienna disarmament process; whether it should be continued or not.

And if it is to be continued, should this be done on the same principles and with the same approaches as today, or on some other? That is logical, if real polities is meant. And I fully share his stand. It is realistic.

Defense Spokesman Says Soviets 'Forced' To Continue Nuclear Tests

LD1506144590 Moscow TASS in English 1422 GMT
15 Jun 90

[By TASS Correspondent Yuriy Rublevskiy]

[Text] Moscow, June 15 (TASS)—"The underground nuclear blast at the U.S. test site in Nevada on 13 June proves that the United States is continuing its work aimed at further improvement of its nuclear potential," Soviet Defense Ministry Main Department Deputy Head Lieutenant-General Sergey Zelentsov told TASS.

He recalled that France and China also continue nuclear testing, while the Soviet Union consistently pursues its policy aimed at a complete ending of nuclear weapons tests and makes substantial moves to nuclear disarmament.

Tests have not been conducted in the Soviet Union since November 1989. Such actions by the Soviet Union are regarded in the world as an attempt to prompt the United States to support Soviet peace initiatives, which could lead to a comprehensive and complete nuclear test ban and, finally, to the full elimination of weapons of mass destruction, Zelentsov said.

At the same time, underground nuclear tests continue at the Nevada test site. It seems that the United States is interested in the Soviet Union's unilateral disarmament, rather than a full nuclear test ban, he said.

Approaches to the discussion and solution of such an important problem as a complete nuclear test ban should be based on the principle of a reasonable defense sufficiency for the Soviet Union and the United States. In the current situation, the Soviet Union is forced to continue tests, the general said.

Disarmament Raised at UN Space Committee Meeting

LD1506091190 Moscow TASS in English 0820 GMT
15 Jun 90

[By TASS correspondent Nikolay Maslov]

[Text] United Nations, June 15 (TASS)—The United Nations committee on the peaceful uses of outer space, which unites 53 nations, has concluded its 33rd session here.

Discussions at the session focused on ways to cooperate and find solutions. The committee discussed scientific, technical, and legal aspects of the use of nuclear sources of energy in outer space, geostationary orbits, space

transportation systems, the probing of the earth from satellites, and indirect advantages from the use of space technology.

The committee adopted by consensus recommendations for the preservation of outer space for peaceful purposes. Delegations from developing countries and the Soviet Union called for making the committee and the conference for disarmament mutually supplementary.

The United States and some other countries took a different stand, seeking to block discussion of disarmament issues by the committee. They claimed these issues were not within the committee's competence.

However, the Soviet delegation said the treaty on space, worked out by the committee in 1967, contained disarmament aspects. It bans the deployment of nuclear and other weapons of mass annihilation in outer space.

The Soviet delegation reiterated its proposal to set up a world space organization and to establish large-scale international cooperation in the peaceful exploration of outer space.

The session's recommendations, which are to be considered by the UN political committee and submitted to the General Assembly, emphasise the need to extend the utilisation of space technology for the benefit of all mankind.

Lobov Posposes Dissolving Bundeswehr, NVA

AU1606144690 Hamburg *BILD* in German 16 Jun 90
pp 1, 8

[Interview with General Vladimir Lobov, chief of staff of the Warsaw Pact Supreme Command, by Karl-Ludwig Guensche in Moscow; date not given: "Lobov: 'Dissolve Bundeswehr and National People's Army'"]

[Text] [Guensche] Is the Warsaw Pact dead?

[Lobov] No, we are still alive.

[Guensche] But the GDR will withdraw in any case....

[Lobov] There are many possibilities, which now have to be negotiated. Version one: The National People's Army [NVA] remains in the Warsaw Pact, the Bundeswehr remains in NATO. Version two: The NVA is dissolved, the only thing that remains is the Bundeswehr. Version three: The NVA becomes a territorial army and is thus not subordinate to NATO and is not merged with the Bundeswehr.

For us the version in which the NVA is merged with the Bundeswehr and is put into NATO is unacceptable. Because this would strongly disturb the balance of power in Europe.

[Guensche] You want the guarantee that the danger of war can never again start from Germany?

[Lobov] A final end must be put to World War II—in the form of a peace treaty or of another agreement.

[Guensche] How long will Soviet troops still be stationed in a united Germany?

[Lobov] As long as there are still U.S. troops there. But we are for withdrawing all foreign troops from foreign territories—also from Germany.

[Guensche] And how big would the German forces then be permitted to be?

[Lobov] Whether they comprise 150,000 or 250,000 soldiers must be set down in the "two-plus-four" negotiations or in Vienna. For us the main thing is: The military potential of the united Germany must be capable of defense but never of attack.

I make the following proposal: Since Germany is not threatened by anyone and does not want to attack any other state itself, it does not need any armed forces. The Bundeswehr and the NVA could be dissolved, a territorial army is sufficient. This would be the best security guarantee for us and it would make the path toward unity easier.

IZVESTIYA Hails 'Big Step Forward' at Vienna Talks

PM1806131190 Moscow *IZVESTIYA* in Russian
16 Jun 90 Morning Edition p 5

[Own correspondent S. Tosunyan dispatch under the rubric "Panorama of International Events": "Vienna Talks: A Big Step Forward"]

[Text] Vienna—A big step forward has been made at the Vienna talks on conventional armed forces in Europe. An accord has been reached which certainly makes possible the resolution of the difficult problem of reducing tanks and armored vehicles.

At the plenary session 14 June the heads of the French and Polish delegations announced the results of discussions in working groups and agreements on the levels of reduction. Thus, for example, it is proposed that both of the alliances—NATO and the Warsaw Pact—possess no more than 20,000 tanks. This includes all tracked tanks and wheeled tanks which weigh 16.5 tonnes and above. As far as armored vehicles are concerned—and they subdivide into three groups: infantry fighting vehicles, armored personnel carriers, and armored vehicles with heavy armaments—neither alliance is allowed to have more than 30,000 of these. In addition, specific levels have been set for each of the groups.

In the general opinion of the participants in the Vienna talks, the problem of reducing tanks and armored vehicles was almost insurmountable. Experts labored over its resolution for approximately six months. The point is that it is these very categories of weapons that are considered the most dangerous from the military viewpoint. They are associated with the most widespread

idea about the military threat and offensive potential of conventional armed forces. The sides could not determine acceptable levels at all. The rate of dialogue slowed down during the last two rounds and the work of the committees and commissions faltered. Some NATO countries took a tough stance on the question of light tanks, trying to remove restrictions on them, thus obtaining unilateral advantages. Rumors started circulating that the Vienna talks might reach deadlock. However, good sense gained the upper hand. The difficulties were overcome. Now restrictions will embrace all types of armored combat vehicles, including light tanks.

The significant progress in the talks at the Hofburg Palace in Vienna is connected here with the success of the recent Washington summit. The U.S. and USSR presidents gave a constructive impetus to the dialogue in Vienna. Without touching on the details of the Vienna talks, they pointed out the need to speed up the talks so that a draft treaty on the reduction of conventional armed forces is ready by fall.

And here is the first result. The solution to a very difficult problem has been found. And this was done with consideration for the security concerns and interests of each of the sides.

Observer Ponders Summit's Outcome

PM1606211390 Moscow KRASNAYA ZVEZDA
in Russian 16 Jun 90 First Edition p 5

[Observer Aleksandr Golts article under the "Viewpoint" rubric: "But Will We Have Enough Missiles?"]

[Text] The USSR Supreme Soviet resolution, which on the whole assessed positively the results of the visit to Washington by President M.S. Gorbachev of the USSR, set the tone for these days of June which are full of drama and hopes. Today it is clear to everyone that the talks, which were meant to demonstrate the foreign policy priorities of the USSR and the United States in conditions of an international atmosphere which changes day by day, convincingly showed that both Moscow and Washington, acting from the sense of high responsibility that two great powers bear, intend to continue moving from rivalry toward cooperation and partnership.

However, it seems to me that the manner whereby it was possible to achieve a high degree of mutual understanding in such complex conditions is also of no small importance. After all, our president was not sinning against the truth when he stated that his position in the United States was not that of a weak supplicant. Thanks to television, we could see how he diplomatically—if at times quite firmly—put some of his interlocutors in their place when they tried to dictate to the Soviet Union how to conduct this matter or that.

Meanwhile, both on the eve of and during the visit, the U.S. mass media were virtually unanimous in the view that no single leader has come to the United States bearing such a burden of domestic problems. It must

even be admitted that it sometimes seemed to those of us watching the visit from Moscow that the situation within the country makes the USSR president's position vulnerable, to put it mildly. The problems of the Baltic, the confrontation in the Transcaucasian republics, the very deep socioeconomic disorders—and, in addition to all that, at the very last moment there was the intercontinental polemic between the president of the USSR and the newly elected chairman of the RSFSR [Russian Soviet Federated Socialist Republic] Supreme Soviet who, at his first press conference, hinted quite plainly that the "center" might find that it soon had nothing to lead. You will agree that such a situation can hardly be called a foreign policy trump card.

In that situation, the U.S. administration did not stoop to a tough approach. Furthermore, it seems, President Bush immediately rejected the tempting opportunity to take maximum advantage of the difficulties which the other side was facing. No wonder that the results of the meeting were a considerable irritation to confrontation-minded circles in the United States. I shall cite Richard Perle, whom readers know well, who asks not without some dismay: How can it be that the Soviet president was able to turn such weak positions into strong ones?

Indeed, how was that possible? Here, like Pushkin, we could ask: "Who helped us? —Was it the frenzy of the people? Barclay, the winter, or the Russian God?" Of those options, the frenzy of the people, although it does exist, can hardly help in foreign policy. Any more than the weather which, in the missile and computer age, can influence only the country's agriculture. I do not want in any way to undermine the contribution to the success of the talks made by our foreign policy strategists, first and foremost M.S. Gorbachev himself. I am sure that they needed considerable composure and diplomatic tact. But you will agree that it takes two to tango and if Washington hadn't shown a readiness to agree little would have come of it. What about the Russian God? He, too, in theory, should not have too great an influence on the Americans. For example, what divine grace descended on George Bush who, as we know, can be tough even with his closest allies, like Japan, when discussing what he considers U.S. interests?

Seriously though, the Washington meeting, which took place at a very complex time for our country, makes you think about the Soviet Union's present position in the world arena. What are the factors which make us a world power which plays such a decisive role in the life of the entire planet and which the United States cannot ignore? Is it economic influence? The USSR has vast natural resources, skilled workers, and generally a considerable economic potential. But, sadly, only a potential. Everyone knows that our involvement in world economic processes is minimal. Is it the stability of a huge country which occupies one-sixth of the globe? Sadly, not that either. The main thing which makes us a world power today, apparently—regrettable though it may be—is our military potential. And the sincere readiness

to reduce it is the very trump card which makes it possible to safely negotiate all the trials and tribulations of world interrelations.

The why and how we created this potential are a topic for a separate discussion. The most important positive result of recent years, it seems to me, was the profound realization of the global danger of nuclear confrontation and the need to resolutely reduce the military potential. Our leaders had the boldness to break the vicious circle of nuclear confrontation and to see that parity, achieved at such a high level of armaments, no longer provides security. Furthermore, by our actions in the disarmament sphere, sometimes unilateral ones, by our readiness to find compromises, and by our affirmation in real life of the principles of defense sufficiency we have shown the path away from the nuclear abyss. In the process we have convinced our Western partners of our sincerity and created a basis for confidence. The second point is that we have demonstrated not by our words but by our deeds that, henceforth, we do not intend trying to impose our way of life on other countries. It was our perestroika which was the catalyst for democratic changes in the East European countries. Our reaction to the turbulent events there and the USSR's firm resolve to qualitatively transform the Warsaw Pact are convincing evidence of the sincerity of Soviet policy.

Those are the factors which, in fact, also removed any material basis for talking about a "Soviet military threat." Here, in my view, is the secret of the unusual popularity of the Soviet perestroika and of our leader. Both President Bush and thousands of Americans greeted in Gorbachev first and foremost a figure whose policy frees them from fear. The fear of war.

In these conditions the U.S. administration did not risk complicating the already very difficult process of elaborating strategic arms agreements by introducing any other factors. Even factors of fundamental importance to Washington such as, for example, supporting the separatist demands of Lithuania's leaders. As a result agreement was reached on the main provisions of the future treaty on strategic offensive arms reduction. The document to that effect signed in Washington still has to be analyzed most seriously by parliamentarians, the military, experts, and journalists, too. Meanwhile it is obvious that this is a really complex balance of compromises and mutual concessions. Compromises have their limit, too, of course. That limit is well known—ensuring reliable defense.

There is no doubt that the signing of the treaty on strategic offensive arms does not reduce the Soviet Union's security but strengthens it. Furthermore, the treaty is the first manifestation of that future world in which military means will not be the only or even the main way of safeguarding states' security. This offers not

just hope but a challenge, too. Some Western figures publicly cracked a very malicious joke that the "USSR is Upper Volta with missiles." Such statements are hardly to be taken seriously. But many a true word is spoken in jest. That is why I have to ask myself: Who will we be when the missiles have been eliminated? Do not misunderstand me. I certainly do not mean to say that I like the situation in which people take account of the Soviet Union primarily because of its military potential. I will go further and say that for any patriot to realize that his country's importance in the world is commensurate with its number of warheads is in principle insulting. But whether we like it or not, that is the objective reality today.

I certainly do not grieve for the warheads and missiles that are being cut. Our country is interested in their elimination just as much as other states. But let us think about the future interdependent world. After all, contradictions between states will exist there, too. And it is no coincidence, for example, that the policy of the future united Germany is already causing concern to a number of European countries. There is no doubt that national interests will not be abolished in the future, either. I would ask how we will safeguard those interests? Will we have enough missiles or, to be more accurate, a sufficient period of missile reduction, to restructure the economy, organize relations between the different republics as well as between the republics and the center, and to create a society which is the most open to the world and to man? After all, all these things now form the new parameters of our security. And, to be frank, all the current problems to do with arms reduction become strategic problems.

But do the formal and informal leaders who are ready to fan, or at least encourage tension for the sake of personal, group, or national ambitions, consider that? Does each of us, racked by daily problems and shortages, consider that the motherland's security today depends on his labor wherever he works? I realize that nowadays such arguments, like calls for good, hard work, are not unduly popular. Therefore, I shall venture to quote a leader well respected in our country—Margaret Thatcher. When considering the current situation in the USSR, she likened it to postwar Britain. "No politician in any country can honestly promise people more than they can produce and achieve by their own efforts. Governments do not create goods and services, the people create them," she wrote in the SUNDAY EXPRESS. And she stressed: "There was no magic solution then. As the greatest British statesman said, there is only blood, toil, tears, and sweat. There is no easy solution now, either. There is only toil, determination, and perseverance."

I can agree with that prescription. Only its implementation will give our country true international prestige. A prestige not based solely on a military strength which, of course, we still need.

EUROPEAN AFFAIRS

European Arms Makers on Prospects for Nineties 90GE0136A Bonn WEHRTECHNIK in German Apr. May 90

[Unattributed two-part survey of European Defense Manufacturers: "Questions for the European Arms Market"—first paragraph is WEHRTECHNIK introduction]

[Apr, pp 19-25]

[Text] The European Market for Arms Trade—recently referred to as the European Market for Defense Trade—is supposed to be realized step by step. Since this intent of the relevant national and international industry has been known for some time, it was a foregone conclusion that it would deal with the consequences, possibilities, and future perspectives of this realization. WEHRTECHNIK has now interviewed a number of industries involved in defense production on their intentions with eight selected questions. The answers—which were received in a surprising number—are quite differently formulated by category and length and are also being published in this form hereafter.

The eight questions asked (Nr. 9 applied to "Special Remarks") were:

1. Do you expect positive or negative consequences for your firm?
2. Have you initiated any entrepreneurial preparations?
3. Do you believe in equal competitive conditions in the partner countries?
4. What measures should be implemented to achieve equal opportunity?
5. Do you think that a type of international arbitration office should be set up?
6. An international leveling out of large system firms is in the offing. Is a similar internationalization of the supplier industry desired or possible?
7. What percentage of activity between military and civilian do you consider ideal?
8. How do you evaluate the reaction of the North American industry to the European domestic market?
9. Special Remarks.

Asea Brown Bovet AG (ABB)

Question 1.

Setting up the IEPG [Independent European Program Group] will not have any noticeable consequences for the firm unless it leads to an increased disassociation of nonmembers (especially Sweden and Switzerland).

Question 2.

Entrepreneurial preparations relate to the domestic market. They were not effectuated with a view toward the Independent European Program Group and do not effect it. ABB is consistently internationalized, in other words,

- ABB is represented in all EC countries with approximately equally strong subsidiaries, and
- research, development, production, and marketing are internationally coordinated.

Even this internationalization will only pay off with the extensive termination of trade restrictions, even for arms production.

Question 3.

No.

Question 4.

More important measures for equal competitive opportunities:

- Refusal of subsidies, especially for government weapons firms. It would be best to take them into private ownership.
- Uniform prequalification and invitation to tender procedures and price code requirements.
- Equal legal limitations for arms exports.
- Relinquishment of the "juste retour" as a principle.
- Reduction and summarization of the "escape clauses" for invitations to tender.
- Arbitration office.

Question 5.

Yes.

Question 6.

To the extent the suppliers involve large firms, the internationalization is on the way. However, the suppliers are mostly medium sized; this is, in fact, desired by the state as well as by the system firms. Medium-sized firms have problems with internationalization anyway. Therefore, there will not and should not be more than cooperation across the border.

Question 7.

Defense technology not more than 3 percent of sales. System firms will have a different viewpoint.

Question 8.

American fears of a European fortress are familiar. An explosive mixture results in conjunction with the current budget curtailments in the United States as well as in

Europe. Since other markets are also fading away (South-east Asia), there remain only two possibilities: withdrawal (or conversion) or aggressive marketing. We will have to dress warmly.

Question 9.

The current radical security political change is good for surprises. The initial considerations regarding the Independent European Program Group transpired at a point in time when nothing was known of such changes. Therefore, the development will certainly transpire in a different way—perhaps completely different—than intended. The reasons:

- Reduction of capacity with a concurrent build up of new capacities of LDDI [expansion unknown] countries
- Unanticipated reactions of the concerns (panic sales, conversion, etc.)
- Slower reduction of competitive deception ("wait and see"), fine lacking controls.

Abeking & Rasmussen

Hermann Schadja, Managing Director

Question 1.

Questionable.

Question 2.

Yes (cooperation with other European firms).

Question 3.

No.

Question 4.

Remains questionable.

Question 5.

Already in place.

Question 6.

Supply and demand will regulate this automatically.

Question 7.

20 percent:80 percent

Question 8.

The way it already is—restrictive.

[no entry for Question 9]

Blohm & Voss AG

Dr. Eckhard Rohkamm, Chairman of the Board of Directors

Question 1.

Since shipbuilding plans are supposed to be precluded from the European arms market, I basically expect no consequences.

Question 2.

Until now we have seen no necessity due to question one. However, different European cocompetitors have approached us recently.

Question 3.

No, the Germans will once again be the best Europeans, and the European arms market will take place mostly here while others will be locked in with reference to the special circumstances.

Question 4.

Genuine equality of opportunity for German industry in these markets will hardly be attainable as long as government and industry interests are directly intertwined by property affiliations in these European countries.

Question 5.

Yes.

Question 6.

Every internationalization of firms is only feasible if it is feasible from a business management standpoint. Internationalization for political or tactical reasons will not work with system firms or with suppliers.

Question 7.

A ratio of 25 to 30 percent of armaments to the overall employment volume is certainly acceptable for an enterprise like Blohm + Voss in the long term. However, the future tendency will most likely be declining.

Question 8.

The American industry justifiably sees the attempt of a barricade. However, since they likewise do not grant equal access to their market to the Europeans, they should not complain at all.

Question 9.

None.

Bodenseewerk

Dr. Puetz

Question 1.

Basically, a larger market will mean benefits for the entire industry, in other words for our firms, too. Fair competitive opportunities are required in this regard. Unequal competitive conditions can lead to negative consequences.

Question 2.

BGT has been conducting European cooperation programs as an industry firm or participating as a subcontractor in such programs for many years. Therefore, a multiplicity of cooperation agreements exists with other European firms. In addition, the European market situation was always taken as a basis for the strategies for gathering new technologies in the sense of increasing competitiveness for years.

Question 3.

Currently, no equal competitive opportunities exist in individual partner countries. For example, considerable differences result from export restrictions for the German industry, competition against government firms in France and open or concealed industry subsidies in other countries. Discussions between BDI [Federal Association of German Industry] and the government demonstrate that the government unfortunately does not have the intention to demand equal competitive conditions as a condition for a common armaments market.

Question 4.

Equal opportunity is only given when the adherence of equal competitive "ground rules" is guaranteed. Basically, this means: Equal procedure in publicizing demand, unification of the contract awarding procedure, selection criteria and unification of export limitations as well as abolition of government subsidies.

Question 5.

In the initial phase of a joint armaments market it will certainly be necessary to monitor the adherence of equal "ground rules" with an arbitration office.

Question 6.

A concentration in the area of the supplier industry exists in Great Britain and France but not in the FRG. Such a concentration would be desirable here, too. International integration could result from this later.

Question 7.

An equal ratio of military and civilian activity appears ideal to us. Thus, a certain equalization for the strong fluctuations of the military procurement cycle as well as a mutual enrichment of both areas can be achieved by the respectively applied technology and manufacturing procedures.

Question 8.

Since Europe and the United States/Canada represent both pillars of the NATO alliance, an intensification of the European side would have to be in the interest of the United States. North American industry will find itself subject to increased competition due to the creation of

the European arms market. Since competition predominately has positive facets in the long term, an impetus to increase productive capacity will result from this.

Increasing the clout of the European armament industry will possibly also lead to a new phase of transatlantic cooperation.

[no entry for Question 9]

Bremer Vulkan AG

Dr. F. Hennemann, Chairman of the Board of Directors

Question 1.

Generally, we expect positive consequences from an incorporation of the armament industry in the European domestic market, if the previously protected national markets are opened (at least theoretically) in the process.

Question 2.

We have signed cooperation agreements with Chartiers d'Atlantique and St. Mazare as steps for an effective appearance in, but primarily also outside of, the European area. Pursuant to this agreement we have initially developed smaller naval vehicles (corvettes) and will offer them worldwide soon.

Question 3.

We must fundamentally assume that equal competitive conditions are established among the European partners. This will still require some effort, especially since many of our competitors in Europe are government companies.

Question 4.

In order to establish equality of opportunity several steps would have to be initiated in our view. Disclosure of the cost structures, testing by the procuring agency and testing by an EC authority if applicable.

Question 5.

An arbitration authority as a regulator is certainly necessary because of competitive misrepresentation. We would prefer the EC Administration, Headquarters IV, that already deals with competitive problems as an already existing institution.

Question 6.

Parallel to the formation of system firms to larger units, an increased development in the supplier industry (for essential armaments) toward cooperation and division of labor will also certainly follow.

In our view, this process has been discernible for some time, for example in the area of electronics and drive trains.

Monitoring the anti-trust law judgement would certainly be desirable for the competitiveness of the German economy with a continued development toward this trend.

Question 7.

A peak division of activities for military and civilian tasks is certainly dependent on many factors, such as, for example, individual structure and course of development; primarily, however from the achievable continuity of utilization.

A ratio of 20:80 appears favorable for our conditions because it permits a certain flexibility, too.

Question 8.

In our view, a generally valid answer is very hard to give because it would vary by product.

For example, America is not to be feared as a strong competitor in shipbuilding in open competition. By contrast, strong pressure is to be expected in the armaments sector if the U.S. Government should give the manufacturers a blank check.

[no entry for Question 9]

CAE Electronics GmbH

Dieter Wolf, Managing Director

Question 1.

Opportunities for independent, medium-sized armaments companies have worsened due to increased concentration on the supply side throughout the whole EC. Skepticism is also in the offing, as some central issues regarding equality of opportunity and mutuality are completely unclarified: a) The resolutions of the IEPG ministers are unbinding to the extent there is no procedure to subject controversial national procurement procedures to supervision and to control the protection of mutuality. b) Nearly 50 percent of the armament companies in the EC are government controlled. No precaution whatsoever has been taken to preclude detriment to private, medium-sized industrial firms that compete with subsidized government companies.

Question 2.

In order to strengthen our position in Europe we recently significantly expanded our production facility with the goal of being able to manufacture flight simulators in particular in the future in Germany, too. In addition, we strive for strategic alliances with firms in France and Italy in order to have better starting conditions in international programs such as PAH-2 and EFA [European Free Trade Association-Finland Agreement].

Question 3.

Initially, little will change by virtue of the new regulations in our estimation. We fear that the Federal

Republic will precisely observe the new regulations from the very beginning without the precept of mutuality being guaranteed in other EC countries.

Question 4.

The most important prerequisite would be the cancellation of all types of subsidies for government controlled armaments firms in all partner countries and/or the negation of cost advantages in offering calculations based on government subsidies. In addition, setting up an international monitoring authority that supervises the equal application of the new regulation in all partner countries is necessary.

Question 5.

As stated above, we answer this question with yes. However, the devil is here in detail, too, when the authority to be granted to such a clearing administration is being discussed, for example.

Question 6.

We seriously doubt whether the development of the large system companies is a sensible example for the weapons industry. It is common knowledge that medium-sized firms are still major players in the arms industry, and—initially—we clearly prefer the formation of strategic alliances to the capital integration and concentration while maintaining independence and autonomy.

Question 7.

Especially in the face of political developments in recent months, we especially strive for a long term ratio of 50:50. This would mean a considerable shift of military activities in favor of civilian activities for us.

Question 8.

In North America, one always speaks of the feared "Fortress Europe" in conjunction with the European armaments market. The claims of European partner countries that discrimination of non-European suppliers is not intended is seen with great skepticism. As a positive reaction, it is foreseeable that the North American industry will get increasingly involved in the European market by virtue of cooperation or subsidiaries.

[no entry for Question 9]

Contraves

Rolf Martens

Question 1.

The consequences of realization of the domestic market on companies is hard to forecast. The question can only be answered in the face of solutions for guidelines for issuing orders of a European armaments market. Competition will be considerably jeopardized if other European countries continue government subsidies for their arms industries. That would have negative consequences

for our firms. I tend to see positive effects with European guidelines for awarding contracts such as in the Federal Republic.

Question 2.

Intensive cooperation discussions with European defense technology firms.

Question 3.

See answer to question 1. If government subsidies continue, there will be no equal competitive opportunities.

Question 4.

Setting up a European armament authority.

Question 5.

Yes.

Question 6.

Yes.

Question 7.

The question cannot be answered without defined marginal requirements.

Question 8.

In my estimation, U.S. industry will augment its activities in the European market, either directly or by cooperation.

[no entry for Question 9]

Kurt Eichweber, Praezisionsgeraetewerk

S. Zirnprich/K. Peitzer

Question 1.

We tend to expect negative consequences.

Question 2.

Preparations have been made to the extent that cooperation negotiations are taking place and sales offices exist in England and France.

Question 3.

No, competitive opportunities are not equal. In foreign countries, the tendency to prefer one's own industry is greater than in the Federal Republic of Germany.

Question 4.

There should be equal export opportunities for the German defense industry and partner countries.

Question 5.

No.

Question 6.

Integration also means reduction of competition! Otherwise, international integration is desirable and possible.

Question 7.

Military and civilian activities have to be treated separately because of their diverse structures.

Question 8.

Shares of substantial enterprises are being taken on.

Question 9.

No special remarks.

Eltro GmbH

Wolfgang Warmer, Managing Director

Question 1.

On the one hand, we expect access to previously closed national markets. On the other hand, we naturally expect increased competition in the German domestic market. Opportunities and risks appear to be balanced to us.

Question 2.

Our firm has been involved in international joint projects for years. Therefore, we have vast experience with other European firms, traditionally in France.

Question 3.

We tend to be skeptical, as we can scarcely envision being registered as a supplier with equal rights in the foreseeable future. This applies principally to France and England.

Question 4.

Not applicable.

Question 5.

An international arbitration authority could supervise the adherence of regulations that lead to equal opportunity. Nonetheless, national egotism will not be completely avoidable.

Question 6.

International integration of the supplier industry is hardly possible due to the structure of medium-sized firms and also not desirable in our view, as the market overview and transparency do not convincingly dictate this.

Question 7.

A 50:50 balance between military and civilian activities appears to be ideal to us. Due to the currently changing

marginal requirements, the strategic inception would have to be shifted more in the direction of civilian activities.

Question 8.

North American industry is very insecure because of the European domestic market. American firms have been occupied with appropriate strategies for several years without noteworthy investments in Europe being discernible.

[no entry for Question 9]

ESG

Dr. Norbert Servetius, Chairman

Question 1.

From a national viewpoint, the opening will most likely be assessed negatively. Foreign cocompetitors with export opportunities can base their calculations on a greater number of units and thus more easily penetrate the German market. Harmonization of applicable laws and statutes prior to the opening would be a rudimentary requirement.

Question 2.

We are participating in the regulations of the European armaments market to be formulated, and we believe that cooperation in different forms will be a step in the right direction in the approaching European market.

Question 3.

Hardly. Contract awarding officials, on the one hand, will want to act fairly as purchasers—depending on the national mentality. On the other hand, as taxpayers, they will want to keep a willing eye on their own national defense industry.

Question 4.

Armaments export limitations would have to be harmonized throughout Europe prior to the opening of the arms market. The step-by-step opening should only be based on mutuality.

Question 5.

Yes, if very short reaction times and equalization payments pertaining to profits received or a right to shares in the project to safeguard know how can be made possible.

Question 6.

The estimated creativity and flexibility of medium-sized and larger autonomous firms could be limited. Government restrictions could lead to neither divisions of the few large enterprises nor firms associated with them being given preference in program participation. The productive capability of national armaments firms is to

be maintained in the interest of European security. It may not slip into dependence on the few large enterprises.

Question 7.

A ratio of 60-70 percent for civilian activities would be ideal.

Question 8.

We expect American penetration in the European market, which remains technologically interesting for them, even if it is shrinking overall. Disarmament will continue to advance; nonetheless defense readiness is to be maintained. In this context, the comprehensive industry structure in the Federal Republic is to be fundamentally maintained even if elimination due to decreasing market demand is to be expected.

[no entry for Question 9]

Elektluft

Jan J. Feenstra, Managing Director

Question 1.

Negative as well as positive consequences are anticipated mainly in the area of the system establishment where higher transparency will promote the opening of previously purely national markets. The high technical standard of the German armaments industry will probably assert itself, if it succeeds in not offering "super solutions" but rather in realizing top system solutions on a case specific basis with a good price vs. performance ratio. Considerable problems are anticipated in the service sector if government subsidized firms offering rock bottom prices enter the market. A reduction of advantages that distort competition is to be fostered in this context.

Question 2.

For ELEKLUFT as a system company independent of manufacturers, project-specific cooperation has always been the key to success in the realization of peak system solutions. In the service sector, however, our considerations are geared to more substantial forms of cooperation with the local industry today. An important step for us is the establishment of a joint venture company in Turkey.

Question 3.

Not yet!

Question 4.

Harmonization of competitive conditions!

Question 5.

Yes! NATO experience as well as experience with the ESA [European Space Agency] business prove the urgent necessity.

Question 6.

We are expecting additional concentration and cooperation in the area of the supplier industry, too.

Wage level, labor law conditions and taxation criteria will continue to play an increasing role in the selection of production locations. The internationalization in conjunction with this will open previously inaccessible markets and market sectors and will augment competitiveness—not least in the world market.

This means opportunity and danger at the same time for the German supplier industry. This trend is positive for ELEKLUFT if free, European wide access to technologically high grade and optimally priced products exists.

Question 7.

Our firm strives for a medium-term percentage rate of 50 percent respectively.

Question 8.

Europe makes American industry uncertain. The dynamics in the unification of European economic interest with the formation of new markets—which is perceived as a threat—lead to a number of strategic cooperation efforts in order to be able to participate in the increased, expanding development. In addition to joint ventures, a number of simple subsidiaries is being established with the goal of guaranteeing market shares with know how transfer in inter-European organization units.

[no entry for Question 9]

Feinmechanische Werke Mainz

Walter Brandt, Managing Director

Question 1.

More likely negative.

Question 2.

Increased contacts with associated French firms.

Question 3.

No.

Question 4.

None, not achievable.

Question 5.

No, would be of no use, authorities too slow.

Question 6.

Hardly, too many companies which are too small.

Question 7.

20:80.

Question 8.

Increased efforts.

Question 9.

The market is quickly shrinking.

GLS Gesellschaft fuer Logistischen Service mbH

Dr. D. Buerger, Managing Director

Question 1.

None of the above. At best, negative consequences if bureaucracy would "take procedures at face value." Physically, however, this is virtually impossible, not to mention being under the pressure of considering how to abbreviate processing times in the area of replacement parts.

Question 2.

We have a subsidiary in Brussels and have been cooperating with leading European firms for years. Special actions based on the IEPG are not being taken.

Question 3.

No.

Question 4.

Pertaining to our area of business, a certain equality of opportunity already exists by virtue of the business that has been operated internationally for years.

Question 5.

No, for Heaven sakes! Even more authorities will obstruct the market and employ officials but will hardly be suitable to satisfy the needs of customers, i.e., the Armed Forces.

Question 6.

A portion of the supplier industry is partially internationalized. The question can simply be answered only by each affected company in accordance with its strategic ideas.

Question 7.

We cannot answer this.

Question 8.

Ditto.

Question 9.

See our opening remarks.

Honeywell Control Systems, Inc., a Private Corporation

Peter Gielen, Managing Director

Question 1.

Our expectations are more likely positive, since we believe we are able to offer good technological solutions.

Question 2.

Our strategy was always founded on well functioning cooperation. We will continue this strategy more intensively with companies in the defined countries.

Question 3.

There are some reservations here that are primarily based on different export guidelines and government subsidies.

Question 4.

Uniform export guidelines and clear limitation of subsidies, primarily for government companies.

Question 5.

Would not be bad.

Question 6.

It is not only desirable but unconditionally necessary. The fragmentation—primarily of the German arms industry—obstructs competitiveness. The answer to Question 2 points the way to relief.

Question 7.

No more than a 20-percent military share.

Question 8.

U.S. industry is only capable of limited cooperation with European firms in the arms market due to the clear restrictions of the U.S. Government. This will have to change, otherwise the U.S. arms industry will be increasingly displaced from the European market.

[no entry for Question 9]

IABG

Peter Runge, Prof. Dr. Johannes Dalhe, Managing Director

Question 1.

Basically, positive ones. The European domestic market should open new marketing opportunities for the technological and scientific services in the area of defense offered by the IABG.

Question 2.

The IABG is currently already cooperating with the ISOEFE Company in Madrid. Additional cooperation is conceivable. However, a requirement for this is that the neutrality and independence of the IABG is not endangered.

Question 3.

Yes, problems can arise when base capital financed facilities compete with order financed facilities.

Question 4.

It would appear that equal treatment of national defense related capacities with foreign suppliers is desirable, if not always implementable. It would also be helpful if the consideration of reversion of funds germane to European projects could be abandoned.

Question 5.

No. The possibility of implementing an international arbitration authority would certainly be assessed as slight.

Question 6.

In view of the internationalization, a development of this type must certainly be reckoned with.

Question 7.

About 40 percent military, 60 percent civilian. The estimation depends on the continued development of defense in Germany, Europe, and especially in NATO.

Question 8.

The North American industry is not necessarily enthused and follows the development of the European armaments market with a certain skepticism. It also evaluates the European arms market in light of a decreasing U.S. defense budget and expects difficulties marketing its production in Europe. Nonetheless, we are of the opinion that difficulties of this type need not come to bear if it is able to freely market its know how and utilize the ensuing cooperation with German and also with European industry.

[no entry for Question 9]

IVECO

Helmut Stelzmueller, Authorized Signatory

Question 1.

IVECO expects clearly positive consequences from the European domestic market for the utility vehicle industry, too, and thus especially for its own company.

Question 2.

The current structure of the IVECO concern is the expression of our entrepreneurial concept in preparation for Europe.

Question 3.

Competitive opportunities in military areas in the individual partner countries must still be assessed differently today. Basically, a trend to "buy national" can be discerned here. This also applies especially to the utility vehicle industry that has independent national production facilities in most or in essential European countries.

Question 4.

We currently do not see the necessity of special action in our product sector to establish equality of opportunity. We are convinced that these chances will nearly automatically ensue when the European domestic market has been established.

Question 5.

IVECO has no direct interest in an international arbitration authority. Nonetheless, we doubt whether balancing of different interests can actually be achieved due to the legal dependence of a certain imbalance. On the contrary, it is our conviction that our own government clients are called upon to exert guiding and equalizing influence upfront.

Question 6.

We have already made a sufficient statement about internationalization in the introductory remarks about our concern structure.

Question 7.

We actually could not initiate a bifurcation of our activities between military and non-military activities with our product concept. In addition, we strive not to shift focal points in this direction due to military orders.

Question 8.

We do not feel affected in our special market sector by the reaction of the North American industry.

[no entry for Question 9]

JUNG

Hans H. Vries, Chairman of Managing Directors

Question 1.

Negative.

Question 2.

No.

Question 3.

No.

Question 4.

No opinion.

Question 5.

No opinion.

Question 6.

No.

Question 7.

60 percent

Question 8.

No opinion.

Question 9.

No remarks.

Kaercher

Helmut Stelzmueller, Authorized Signatory

Question 1.

We expect positive consequences and additional sales and orders for our firm.

Question 2.

We have established our own corporations in all European countries. Wherever the competitiveness of Kaercher's own corporations is not sufficient, we agreed to cooperation.

In Spain, we manufacture field kitchens under license for the Spanish Ministry of Defense. Orders were given to the licensed partner firm M.E.I.S.A. for the years 1989, 1990, 1991, and 1992.

In Greece, we cooperate with partner company Elbo in the field kitchen sector.

In France, the Kaercher Company is a member of the French NBC Defense Group and an important supplier for the French Armed Forces.

In Great Britain, Kaercher cooperates with International Military Services, the sales organization of the British Ministry of Defense.

Question 3.

Competitive opportunities are extremely disparate. Essentially, only German authorities soliciting bids adhere to the EC's invitation to tender procedural conditions.

Question 4.

The working class has recognized that its political will is to be competitive; this effects the individual procurement agencies in the country through the political leadership.

Question 5.

The establishment of an international arbitration agency would be advantageous. The arbitration authority should have an international staff and be able to reach individual procurement institutions.

Question 6.

An international integration of the supplier industry is not desirable.

Question 7.

About 10 percent military, 90 percent civilian.

Question 8.

The North American industry should experience the same limitations the European industry experiences in North America. An offensive approach of the North American industry on the European arms market is not to be expected.

Question 9.

Focal points in the armaments procurement programs will change within the framework of disarmament and the altered threat situation. The soldier's motivation will be in the center. An important component for this is top quality food and rations in caserns and in the field. We make a decisive contribution to this with our field kitchens.

KHD Luftfahrttechnik GmbH

Dr. W. Zimmermann, Chairman of Managing Directors

Question 1.

No short term (one to two years) consequences. Negative medium term (three to five years) consequences for R & O [expansion unknown] businesses. In the long term (five years), negative consequences more likely than positive ones primarily in new investment business.

Question 2.

Cooperation in preparation, drastic efficiency measures (short term effect: loss of technical employees).

Question 3.

Equal competitive opportunities are hardly to be expected.

Question 4.

Equal assistance measures, similar/identical research and technology planning, equal decisionmaking procedures and elimination of special funds.

Question 5.

Yes.

Question 6.

Desirable as well as possible.

Question 7.

30 percent military, 70 percent civilian.

Question 8.

Aggressive, defensive; establishment of European locations, alliances (shares).

[no entry for Question 9]

Kloeckner-Humboldt-Deutz AG

Klaus-Juergen Steindorff, Director

Question 1.

Positive. This is also attributable to the KHD Group's traditional export orientation with a focal point in Europe.

Question 2.

Yes, especially for KHD Luftfahrttechnik GmbH. To a degree, pertinent negotiations are not yet completely concluded.

Question 3.

Yes. It appears to be too risky to apply limitations to this statement. However, it must be expected that there will be EC countries—the FRG excepted—that will still probably even have to overcome "homemade" obstructions.

Question 4.

Abandon all restrictions. Completely open the markets. Limit restrictions of national security to what is actually expedient (i.e., no excuses).

Question 5.

One should not do this. Markets should be seen like rigorous adjustment mechanisms.

Question 6.

Yes and possible. (Also functions in the civilian production domain, for example utility and passenger vehicles).

Question 7.

10-15 percent:85-90 percent (lead value). However, continually order dependent, i.e., ratios can shift at times.

Question 8.

Competition will get tougher, acquisition activities more aggressive, luring away technical employees, for example in the area of research and development more likely.

[no entry for Question 9]

Krupp Atlas Elektronik

Udo Brandes, Director

Question 1.

Neither, nor. The past has shown that national security interests prevail, especially in Great Britain and France. That is, the opening of these markets will have no consequences for us in our market segments.

Question 2.

There are close dialogues and/or joint declarations of intent with firms in different IEPG countries in individual areas of technology.

Question 3.

Based on past experience, this question must be answered with no.

Question 4.

Basically, setting aside national security interests as a so-called "camouflaged cap" of national economic interests.

Question 5.

Basically, yes.

Question 6.

This point should be exactly analyzed first according to economic considerations before an internationalization is effectuated here.

Question 7.

The current policy of reduction of tensions and the results becoming apparent should lead every defense technology firm to make a strategic reorientation. A division of quotas is basically dependent on the type of weapons technology products. A 50:50 regulation appears to be too high today.

Question 8.

Access to the American market will undergo additional escalation by operation of law.

Question 9.

Special Remarks. Basically, a reorientation must be taken into consideration in view of the political events. The extent to which the goals of the IEPG can still be implemented depends on the future international status of a united Germany. Overall, the FRG created a dependency with the establishment of the Bundeswehr pursuant to Articles 87a and b (Basic Law) and by virtue of cooperation with the national industry that cannot be eliminated from one day to the next if one does not want to endanger additional jobs.

The concept of the IEPG came about at a time when the disarmament dialogue in the current form did not exist. The question must be asked whether this plan is still in keeping with the times.

MBB

Dr. Johann Schaeffer, Chairman of the Board of Directors

Question 1.

Under increased competitive pressure to be expected the possibility exists for every firm to get paid for its special competitiveness under the condition that the uniform market functions by uniform and fair ground rules. This requirement is currently still beyond our judgment.

Question 2.

The predominant number of MBB programs is already transpiring under participation of European partners: the German-French axis represents a supporting element here.

Question 3.

Currently, equal competitive opportunities among the EC partner countries do not exist. Private and government firms are competing with each other, and there are neither uniform contract awarding guidelines nor uniform export guidelines.

LDDI [expansion unknown] countries should be technologically assisted and awarded a greater volume of orders. Creation of the additional capacity relevant hereto cannot be the goal of European armaments and industry policy in the current political situation.

Question 4.

Equal opportunities require clear and binding procedural guidelines for all participants. The "escape clause" should not be misused.

Question 5.

There will always be a need for clarification. The question is whether an individual institution should be created for this.

Question 6.

An international integration of the European supplier industry is becoming evident just as it is with system firms.

Question 7.

From an entrepreneurial standpoint, a defense technological ratio of about one quarter of overall sales would obstruct unilateral dependence.

Question 8.

The North American industry will certainly attempt to gain increased access to a unified European armaments market.

Question 9.

Meaning and success of the European arms market will decisively depend on the legal validity of the agreements made.

MBB

MBB Marine- und Sonnentechnik Klaus-Juergen Wolfert

Question 1.

We expect positive consequences.

Question 2.

Cooperation with European firms, such as MATRA, for example, is actively sought.

Question 3.

The future will reveal whether equal competitive opportunities exist.

Question 4.

Steps toward equal competitive opportunities can only be undertaken in an official framework.

Question 5.

One will probably not be able to avoid an international arbitration authority.

Question 6.

In my view, internationalization of the supplier industry is probably unavoidable, albeit not always desirable.

Question 7.

50:50.

Question 8.

In the final analysis, a partnership relationship as it already exists today will develop.

[no entry for Question 9]

Mercedes Benz

Dietmar Steffen, Authorized Signatory

Question 1.

Vehicle sales to military consumers is part of our overall sales. Of course, we will accept the challenge, should national restrictions in this special area of the European arms market disappear. It gives us the opportunity to utilize the manufacturing alliance in the European area to a greater extent than previously. We are firmly convinced we are able to find project-related resources and ways to success for appropriate programs.

Question 2.

In the past business year, Mercedes Benz AG was able to expand its market position in Europe as the largest manufacturer of utility vehicles with 166,000 units. On the one hand, this success obligates us but also justifies optimism.

In addition to the utilization of an international European manufacturing alliance, we consider cooperation with other firms—related to defined projects—as sensible. We will make these decisions when they are on the agenda from a procurement standpoint.

Question 3.

Competitive opportunities within the IEPG are not easy to estimate, as military procurement also takes place within political structure conditions. The prices of high quality German products face products of average quality from economically weak countries. Nonetheless, we believe we are able to realize high quality products based on lower living expenses in spite of a curtailed budget.

Question 4.

The answer is between the extreme positions: guaranteeing national jobs and acceptance of the economic demand.

Both debates have a high priority in politics, so it is difficult to give a generally valid answer with regard to equality of opportunity.

Question 5.

We consider the establishment of an international arbitration authority in the current stage of the EC unwise. We see this as an administrative obstruction of competition and simultaneously an additional decisionmaking body in the procurement of armaments.

Question 6.

For us as manufacturers of utility vehicles, the program basis and the quality of suppliers achieved through

competition is of utmost importance. We see no advantage in concentration for the area. Today, we are already doing justice to the Europe-wide international supply of the supplier industry.

Question 7.

We consider our activities in the military sector a part of our company strategy. Above all, there is a social obligation to supply the Federal Republic and the NATO partners with efficient vehicles for defense at economical terms. Military vehicles represent only a small portion of overall production compared to civilian business.

Question 8.

U.S. industry will seek more and more cooperation with German firms. Only in doing so will it gain access to the European arms market. However, on the other hand, this also results in improved opportunities for European firms in the American sector. We view this as proof that free competition improves market opportunities overall.

[no entry for Question 9]

MTG Marinetechnik GmbH

Dr. Meyerhoff/Dr. Knuepffer

Question 1.

Ideally, positive consequences (market expansion) and reorientation in competition can ensue. Status quo will apply if national preferences cannot be eliminated. Probable scenario: disparate opportunities, then negative consequences!

Question 2.

Still no direct preparations made. However, participation in large joint NATO plans for years. In these partner countries, it is noticeable that the military contingent—in other words the respective TSK [service component]—often shows a much stronger commitment on behalf of the national industries than in the Federal Republic.

Question 3.

Honestly, no.

Question 4.

Necessary action: Harmonization of requirements, norms and procedures for planning, design, construction and utilization; mutual recognition of licenses. A Europe-wide armament agency that examines weapons orders with objective criteria and distributes same to the partner's could be helpful.

Question 5.

Yes!

Question 6.

The supplier industry is composed of hundreds of large, medium-sized and small firms. With internationalization of the market, concentration is unavoidable in the long run if diverse national consumers are to be served. However, competition of ideas should also be maintained.

Question 7.

An equal (50:50) distribution between arms business and civilian business should not be exceeded.

Question 8.

Spontaneous disgruntlement, then aggressive acquisition coupled with political pressure.

Question 9.

The answers refer to complex systems with a low number of items.

MTU Dieselmotoren

Question 1.

We expect positive consequences, since other European markets that supplied themselves from their own production until now will become accessible to us.

Question 2.

However, the opening of new markets will not happen so fast that we will miss our own market. We view this cooperation with this national industry as a suitable means to guarantee it for our products in the long term. The stock acquisition of MTU by the S.E.M.T. Pleistick Company, France may be an example.

Question 3.

Competitive opportunities will be guided by the respective suppliers and also depend on to what extent the partner countries actually observe the rules that have been worked out.

Question 4.

There has never been any equality of opportunity.

Question 5.

There should be an authority to bring about comparability of the respective applications.

Question 6.

We answered this question with our answer to Question 2.

Question 7.

This question will always be judged by what diverse opportunities both fields of activity offer directly, in the medium term or in the long term.

Question 8.

The transatlantic cooperation will not be facilitated with security; rather thoughts of competition will become more prevalent.

[no entry for Question 9]

Nord Micro

Dr. E. Majer

Question 1.

No essential consequences, as our firm has already adapted to the commercial market as a focal point.

Question 2.

We have already initiated cooperation with European partners such as Sextant, Ferrant, Seidel, and Microtecnica.

Question 3.

The armaments market is influenced more by politics than by competition. For this reason, competitive opportunity for industry should be better in countries such as England, France, and Italy.

Question 4.

Equality of opportunity is only secondarily a question of ground rules. These are established jointly; they are certainly balanced, too. The problem here, too, lies in the information of the ground rules and thus in the political application.

Question 5.

If we need international arbitration authorities, then the question of equality of opportunity or fair competition need not be asked. Then the show is only political.

Question 6.

International integration of the large system firms starts with the large supplier industry. The question poses itself here: what happens to small- and medium-sized industry in the long term?

Question 7.

In spite of all peace talks, the world is certainly becoming freer but more unsafe. For arms projects, we should earmark capacity on the order of at least 25 percent. The unification of equal arms embargoes and equal export laws would be necessary for a common Europe, too.

Question 8.

Large, conventional weapons trade will certainly transpire on a broader basis outside of Europe. The United States will encourage us to cut down with our weapons plans so we will buy there.

Question 9.

If the political scenario regarding defense and armaments in Germany does not change (and there are no indications of this), the German arms industry will have to set its sights lower than the arms industry of our European friends.

Progress-Werk, Oberkirch AG**Question 1.**

Positive ones.

Question 2.

Yes. Planning a new production facility in an EC country.

Question 3.

No.

Question 4.

Reduction of subsidies and cooperation deals as well as reduction of national laws, acceptance of EC guidelines and adaptation of tax law legislation.

Question 5.

No.

Question 6.

Not desirable but possible.

Question 7.

30:70.

Question 8.

Increased political activity in order to participate in European procurement measures.

[no entry for Question 9]

Telefunken System-Technik

Bernfried W. Leutenegger, Director

Question 1.

Telefunken Systemtechnik and the Deutsche Aerospace AG expect positive consequences from the European domestic market and welcome the step by step realization of a European armaments markets that is being sought.

If we succeed in developing a European armaments market and opening the markets in the area of defense, we could, for example, more effectively utilize resources for defense technological research and development and more sensibly coordinate resources within Europe.

Question 2.

We consider comprehensive participation in international coordination programs—among other things—one of the possibilities for getting ready for the upcoming changes. Deutsche Aerospace already has close contacts to French Aerospatiale, with Spain and with British Aerospace. (Not further expanded: Offsetting investments in subsidiaries are being considered periodically in order to create such ground rules and dependencies for multifaceted cooperation.

We also want to initiate strategic alliances with American concerns, Japanese companies and with partners in the Asian Pacific Region.

Question 3.

Equal competitive opportunity can only be achieved with difficulty, if at all. Basically, those companies that can quickly adjust to the changing market will assert themselves and prevail.

Question 4.

Elimination of competitive misrepresentations still existing could, for example, be among the steps that should be taken in order to improve equality of opportunity.

They are present, on the one hand, by virtue of subsidies and government influence on diverse firms on the other hand. However, a European armament market can only develop between the defense industries in Europe if it is contended for on the basis of rigorous mutuality.

Question 5.

It is currently not yet foreseeable whether an international arbitration authority can be implemented in Brussels, for example. However, what will be necessary soon is the formulation of a uniform European weapons exportation policy.

Question 6.

It will certainly be required in the long term to also organize medium-sized industry in a European manner, for example. We will support this from the position of Deutsche Aerospace for business management reasons that are in our interest. To that end, Deutsche Aerospace is considering how it can formulate its cooperation with medium-sized industry in the foreseeable future.

[no entries for Questions 7, 8, and 9]

TELDIX GmbH

Peter Schweizer, Managing Director

Question 1.

All of the above. The expansion of our sales opportunities in other IEPG countries is positive. The continued increase of competition in the Federal Republic is negative. In the short term, negative consequences should predominate (among other reasons because of the always present readiness of the Federal Government for advance production as experience has shown). However, positive consequences in the long term.

Question 2.

Yes. Build up of new and expansion of existing cooperation with the goal of usurping all possible opportunities in the European arms market.

Question 3.

Short term: no.

Question 4.

No unnecessary advance production on the part of the Federal Republic; protection of the interests of the German industry by the Federal Government, primarily by pressure on partner countries to actually practice the market opening on their part.

Question 5.

No. There are already more agencies and international institutions than one can expect the taxpayers to tolerate. Such an agency would hardly be effective, too.

Question 6.

This will come about by itself. The larger market requires larger company units on all levels, from the system level to the level of subcontracting suppliers to the level of the manufacturers of branch specific components.

Question 7.

There is no target value for this. Every firm must find its peak.

Question 8.

It depends. The United States will assume that the European armament industry will fortify itself against imports from third party countries. Therefore, one will have to buy defense technology in Europe in order to be present here. In many cases, U.S. firms will find it difficult to finance such European ventures because of declining business in their own domestic market, especially since the market in Europe is not a growth market either.

[no entry for Question 9]

ZEISS

Oberkochen

Question 1.

Basically, we expect positive consequences. However, a final assessment will only be possible when practical examples can be evaluated.

Question 2.

We have trained our sights on cooperation with European firms and already conducted concrete talks with select firms.

Question 3.

One certainly cannot assume equal competitive opportunity in partner countries because the home field advantage plays a certain role.

Question 4.

Equality of opportunity would be more likely to achieve if subsidies are reduced, invitations to tender are supervised by a neutral agency and government companies are converted to private ownership.

Question 5.

The establishment of an international arbitration authority would be advantageous. However, it would be more effective if an international contract awarding authority that manages invitations to tender according to uniform guidelines free of national bias could be engaged at the outset.

Question 6.

Please refer to our statement regarding Question 2. Integration with other firms is difficult due to the legal posture of our firm.

Question 7.

Our answers deal with the standpoint of special optics product areas which involve almost exclusively military conception.

Question 8.

We believe that the North American arms industry will show an increased presence in Europe in the future. Our discussions with European firms are being conducted—among other considerations—under the aspect of this future competitive situation.

Question 9.

In view of the political development during recent months we assume that arms budgets will be curtailed, exacerbating the already tough competitive situation. One is wise to break into an alternate field of activity, preferably related to armaments technology.

Zahnradfabrik Friedrichshafen AG**Question 1.**

We expect positive consequences.

Question 2.

We have implemented entrepreneurial preparations, the details of which cannot be disclosed at this time understandably enough.

Question 3.

Based on past experience, we must negate any belief in equal competitive opportunity in partner countries.

Question 4.

International invitations to tender pertaining to the individual procurement should be taken as a basis—with unbiased national decisions (SAATY EVALUATION MODEL).

Question 5.

We would welcome the establishment of an international arbitration authority.

Question 6.

Internationalization of the supplier industry would be desirable.

Question 7.

We cannot specify a percentage rate, as the situation is different from company to company.

Question 8.

We expect aggressive competition by the North American industry in the European arms market; the United States enjoys the advantage of an incomparably larger number of basic units.

Question 9.

Arms market products to be sold are subject to export permission. International integration in the supplier industry of the arms market will only make sense if we qualify ourselves as dependable partners. This requires the Federal Government to clearly declare its support for the notion that the responsibility for the continued management of the German product passes to the receiving partner upon crossing the border. In this context, an exemption from end user confirmations must be included.

[May, pp 12-14]

[Text] As a continuation of our survey of arms firms regarding their assessment of the European arms market, we publish hereafter answers from the NATO area but also from neutral foreign countries.

Renault Véhicules Industriel

H. Flacher

Question 1.

This new situation means advantages as well as disadvantages.

—Advantage: all European markets open up for our sales activity.

—Disadvantage: the French market will open up to all of our competitors

Question 2.

We have been observing different European domestic markets through our subsidiaries. Regarding cooperation with other European manufacturers, one can say that everyone is talking with everyone else.

Question 3.

No.

Question 4.

The only concrete action that appears suitable to us within the framework of nonobservance of fair competitive opportunities would be countermeasures.

Question 5.

The European Court is already pursuing international administrative arbitration. It is very likely that a corresponding system will be set up regarding public orders.

Question 6.

This issue does not apply to us.

Question 7.

It is very difficult to indicate a peak percentage rate. The best would be 100-percent utilization of manufacturing capacity. RVI's military technological sales amount to 15 percent, as our main activity is in the civilian sector.

Question 8.

The domination ratio between European and American manufacturers will probably hardly change. However, based on conceivable unions, European industry could demonstrate a higher presence on the international playing field to the disadvantage of North American industry.

[no entry for Question 9]

SFIM

Question 1.

This situation should be advantageous for companies.

Question 2.

SFIM has participated in most aviation and space projects that have been jointly realized in European cooperation for about 30 years. SFIM has been making different agreements with European partners for 10 years in order to make progress in research and development—especially in the area of defense. Today, sales realized in Europe account for more than half of the firm's exports. In addition, SFIM also participates in programs for different European authorities.

Question 3.

Because of expenditures for research and development and the inescapable investments to maintain technological status, Europeans have to overcome national competition and regroup to create new focal points capable of overtaking part of the world market. The standing of every firm will be different depending on the programs and the participating nations.

Question 4.

Establishing a common market requires economic and tax equality, but also a certain protection toward countries and their aggressive business practices that do not belong in the market.

Question 5.

The establishment of an international arbitration authority does not appear to be useful. European authorities are sought after here.

Question 6.

Internationalization is no longer avoidable and must occur within the bounds of technological areas. This applies to system firms as well as to suppliers.

Question 7.

Order entries show clear increases in the civilian sector. This tendency is increasing and is in the process of exceeding SFIM's military sales. The ideal ratio would be 50:50.

Question 8.

Observed reactions are wrong: They are based on a misconception of the problem. One gets a better estimation of the situation with a second, more objective look. American industry should not be surprised that European industry is banding together to improve its competitiveness.

[no entry for Question 9]

SOFMA

Daniel Huet, Chairman of the Board of Directors

Question 1.

As a sales organization, SOFMA has the task of pursuing market development and adapting to it.

Question 2.

For the same reasons, SOFMA is intensifying its relationships with non-French European enterprises.

Question 3.

The answer depends on the partnerships one entered to start competing.

Question 4.

Excluding NATO standards, the problem here is that norms are different from country to country. Nonetheless, I never had the impression that competition here is 100-percent "fair and adequate." That applies to France, Europe, and the whole world. One must know the ground rules and assimilate oneself.

Question 5.

Yes, if a "European Defense Community" is created. No, if the States remain sovereign. These will turn to the enterprises that have become European or are on their way to becoming European. Others will then no longer exist.

Question 6/7

An answer to these questions is impossible as they are not clearly enough defined.

Question 8.

They will attack the European market to the same extent I hope the Europeans will become active in the American market. However, one can assume that success will be impeded because of reduced defense budgets. Then, one must respond to "buy American" with "buy European," in old friendship as here defined.

[no entry for Question 9]

Thorn EMI

A.B. Pearce, Director Strategy Planning

Question 1.

It is very probable that the consequence will be neutral on the basis of market opportunities. This is especially applicable regarding the factors in the answer to Question 2, and partially because one can expect that fewer new programs will be initiated.

Question 2.

Thorn EMI Electronics is a partner in a number of consortia that have contracts for important European programs. MLRS 3, PARS 3 and COBRA are part of this. They are the result of a decision made years ago

when the necessity of initiating cooperative relationships with other European firms was realized. The cooperative programs created the basis from which relationships could be expanded into other projects.

Question 3.

Today, one does not have the impression that equal opportunities exist in practice, although many partner nations have declared that equal opportunities do exist. Therefore, some protective mechanisms for ones own armaments industry will certainly be kept in place. In any case, national security interests will be protected.

Question 4.

Procurement policy and procedure differ considerably among partner countries, and this can jeopardize the ability to compete in another country on an equal competitive footing. Harmonization of these aspects will be important.

Question 5.

This could be unavoidable, but there is concern that an organization of this type could lead to delays in procurement. It is difficult to say how this can be avoided or how one can legally combat intentional engagement with the purpose of eliminating competitors.

Question 6.

This is already the case with the supplier industry to a certain extent, although it is much more difficult to quantify the extent. This is necessary to build the number of units required from an economic standpoint and especially to remain competitive against the American and Japanese competition.

Question 7.

It is virtually impossible to be definitive here, as most firms organize in such a way that the arms business is separated from civilian business, financially as well as managerially. A sensible ratio of arms business between 10 and 60 percent could be considered ideal for a general enterprise. The actual ratio will depend on the type of business and the political situation at a given time and on the influence on the weapons budget.

Prior to the events in East Europe it was the policy of North America's industry to establish partnerships or to acquire firms in Europe in order to keep access to the market. However, the comprehensive curtailment planned for the American weapons budget now demonstrates that they have their hands quite full managing these changes.

Initially, one will probably decide to guarantee one's own industrial basis. Cooperation programs with European firms in NATO will probably continue and could be increased as a means to maintain market access.

Question 8.

Overall, a respectable amount of openness for competition already seems to exist, although sensitivity regarding matters of national importance is still very strong. It is difficult to see this changing considerably.

Cooperation programs such as COBRA, EFA [European Free Trade Association-Finland Agreement] and PARS 3 are probably the most important products of European cooperation. However, here, too, national postures are of considerable importance. The political situation and procurement procedures in one or the other partner country can lead to delays or to cancellation of programs, even if the majority desire the continuation thereof. For the industry, this can result in considerable work or lost investments. The peak balance between the jointly financed cooperation programs and nationally financed programs must always be established in the current European front. This will influence the competitive market.

[no entry for Question 9]

DAF

L.E. Dietz, Managing Director

Question 1.

Drawbacks.

Question 2.

No, not yet.

Question 3.

No.

Question 4.

Criteria and decision factors should be mentioned in the requests for tender. An examination for every competitor who is of the opinion that he was treated unfairly should be conducted by an independent examiner at no expense. All provable nepotism should be punished severely. Capital losses, tender expenses, loss of market shares and so on should already be satisfied or compensated. NATO will be the best forum.

Question 5.

Yes.

Question 6.

Yes.

Question 7.

Less than 10 percent for DAF, N.V.

Question 8.

Aggressive toward the European industry and pressure on the American Government for a posture that is still too protectionist.

[no entry for Question 9]

Bofors

Egon Linderach

Question 1.

There will be advantages as well as disadvantages. Generally, I believe that it is very important for Sweden to achieve the closest possible ties with the European economic market, preferably even a full membership. If Sweden remains ahead on the flanks, this will be disadvantageous for us. On the other hand, a movement toward stronger international cooperation will always be of advantage to those firms that have something positive to offer.

Question 2.

Bofors was an export oriented firm for many decades. As a result, we enjoyed close cooperation with many firms inside and outside of Europe as well. Our products were manufactured under license. We are currently involved in a series of enterprises of which positive cooperation is a part, and we intend to continue plans of this type. Some of our products are not only manufactured under license in foreign countries. We also purchase important component systems from foreign manufacturers. Until now, we have not acquired any firms in the European Market in order to have a foot in the door.

Question 3.

It will be of advantage to be inside the market, and I believe Sweden should be inside. On the other hand, only those manufacturers that have something to offer will be accepted. We will also be a competitive enterprise in the future, based on our research and development.

Question 4.

The whole idea of the market is to guarantee open competition. Even if Sweden should not become a full member, I hope that we will reach an agreement that does away with trade impediments.

However, we should also take into consideration that there is a phenomenal exception for arms material. Every government is allowed to pass special regulations for everything that has to do with defense. Here, again, it is only competence that can bring down such barriers.

Question 5.

Normally, our procurement and cooperation agreements contain a clause that establishes that the rules of the International Chamber of Commerce in Paris or those of

the arbitration authority should apply to our agreements. Until now, we consider a new arbitration authority unnecessary.

Question 6.

I consider internationalization not only possible or desirable but also necessary. Today's complex defense system makes it necessary to seek out and select the best possible components or products available.

Question 7.

Bofors is primarily an arms company and develops and produces weaponry systems and products. In the area of Nobel Industry in Sweden, we are the primary high tech firm. Very often, civilian products will result as a spin off from our defense activities. It is part of the policy of Nobel Industries to include an area that manufactures civilian products so that it creates its own profit nucleus. In this manner, independent firms can be established. Such civilian activities normally have an enhanced growth domain when they can act independently, initially to exist as a small part of a large armaments group like Bofors. We even have a special organization here at Bofors that seeks out such civilian opportunities and helps them to materialize.

Question 8.

My generation has seen North America transform itself from an important oriented country to a country that is very interested in exports; this is known as a "two-way NATO street." Today, we see the Northern American industry in Europe "hard selling" but also determine that they cannot go this route alone.

Question 9.

Other remarks: Bofors was very active in the build up of the Swedish arms industry that became necessary. It is my goal that Bofors should be a branch of the arms industry in the future that is actively competitive in the domestic market as well as in the international market, more specifically in the areas we elect to continue. Without a doubt, this will lead to an increase of international cooperation. What is now happening in Europe—politically and economically as well—is extremely exciting. It is currently impossible to say what Europe will look like five or 10 years from now, but my colleagues are determined for Bofors to be part of this Europe.

Erlessan Reder AB

Lars Malmgren

Question 1.

The consequences are still difficult to analyze. However, it is our impression that the risk of increased protectionism in the IEPG countries toward the rest of the

world, including firms from European non-IEPG countries, exists here. Therefore, the risk of a disadvantage exists for our firm.

Question 2.

As a group, Erlessan is already represented by firms in the area of defense in Italy and Spain. Additional cooperation with other firms is planned.

Question 3.

No, one can, in effect, improve opportunities but not achieve genuine equality of opportunity.

Question 4.

This can only be achieved on the political scene. The action that has been taken within the IEPG concerning the announcement of all contract awards, strict regulation for the awarding of contracts and multinational cooperation in defining requirements and so on are all good news.

Question 5.

We do not believe that this can be done if national security is involved in certain areas for sovereign countries.

Question 6.

Yes, to the extent it applies to cooperation on a technical level. Basic technology is becoming more expensive. This affects the supplier industry, too.

Question 7.

This is a question of the business concern. It also depends on the country in which one is active and to which larger group—if applicable—the enterprise belongs. A definitive answer cannot be given. What is right for Thomson-CSF, need not be right for Erlessan.

Question 8.

With interest and concern. For them it means penetrating a more difficult market and tougher competition on the world market.

[no entry for Question 9]

MOWAG

G. Ott

Question 1.

Neither positive nor negative consequences.

Question 2.

No, none.

Question 3.

No.

Question 4.

Since this problem does not directly affect us, we have also not examined what steps should be taken.

Question 5.

Yes.

Question 6.

In our view, this question cannot be answered universally.

Question 7.

10 percent military activities, 90 percent civilian activities.

Question 8.

We have not performed any analyses in this regard.

[no entry for Question 9]

Oerlikon-Buehrle Hokling AG

General Director Michael Funk

Question 1.

Negative consequences for traditional defense technology, especially with regard to manufacturing capability and maintenance of technology in Switzerland.

Question 2.

Internal reorganization and restructuring coupled with reduction of capacity and changes in business policy.

Question 3.

No.

Question 4.

In view of the diverse national interests and initial situation I see no steps that could guarantee equality of opportunity.

Question 5.

No.

Question 6.

The supplier industry is less directly affected. However, international cooperation appears to be possible here to me.

Question 7.

20 percent military, 80 percent civilian.

Question 8.

No special response.

[no entry for Question 9]

Oerlikon Contraves

Dr. M. Gaillard

Question 1.

Overall, negative consequences, primarily in the markets of the stronger countries such as the FRG, France, the United Kingdom, and Italy; the competitive share in the weaker countries like Portugal, Greece, and Spain will be somewhat comparable for us. For Oerlikon Contraves—a firm seated in a neutral country—participation in the European arms market is only possible under adversity. In the area of air defense, the situation for us appears to be somewhat more favorable, as relatively few air defense projects in the LLAD [enpansion unknown] sector of the NATO countries are planned. Strengthening of our locations in Italy and Germany by concentration of group internal activities for the NATO market on the one hand, and by looking for cooperation partners on the other hand.

Question 2.

The strengthening of our position in Italy and Germany through, on the one hand, concentration on the internal activity for the NATO Market and, on the other hand, through the quest for joint venture partners.

Question 3.

No. The stronger partner countries such as the FRG, France, the United Kingdom, and Italy will attempt to assume a domineering role at the expense of the smaller ones. Financial, political, and employment policy factors will be determinative here. In addition, national interests (e.g., with a demand for a leading role on the area of research and development) will continue to play a great role.

Question 4.

"Genuine" disclosure of programs, no protectionism of government firms, i.e., equal requirements for all firms.

Question 5.

No. Such an arbitration authority would only limit and unnecessarily complicate free competition (not considering unsatisfactory subject knowledge).

Question 6.

Not desirable. Without doubt, here lies the opportunity for medium- and small-sized firms, e.g., also those seated in a non-NATO country.

Question 7.

Generally

Question 8.

A more aggressive approach toward the European market due to budget curtailments in the United States, too.

[no entry for Question 9]

CANADA**Daily on U.S. TASM Development Proposalsile Test Request**

Ottawa Would Consider Test Request
52200021 Ottawa *THE OTTAWA CITIZEN* in English
9 May 90 p A3

[Article by Dave Todd: "Canada Ponders Testing"]

[Text] Kananaskis, Alta.—The Mulroney government is willing to consider a possible request by NATO to test new missiles intended for the alliance's nuclear arsenal in Europe, a senior defence department official disclosed Tuesday.

The former Trudeau government's controversial 1983 decision to allow tests of unarmed American cruise missiles over Canada's north galvanized this country's peace movement in the mid-1980s.

Now the United States is pressing for a 400-kilometre-range tactical air-to-surface missile (TASM) to help modernize NATO nuclear defences within Europe.

The Soviet Union maintains this would seriously destabilize the East-West military balance in Central Europe, and says it regards the proposal as especially threatening in light of recent progress in East-West relations.

If Canada were to become the testing ground for the TASM project, "this would clearly require a new agreement (with the U.S.)," the defence department official said.

He spoke on condition of anonymity during a briefing for Canadian and foreign journalists attending a NATO defence ministers meeting that opens here today.

Defence Minister Bill McKnight was vague when asked later how Canada would treat a U.S. or joint NATO request to help develop the proposed new missile.

Canada's response "would depend on why we were being asked. It would depend on whether we could reach an agreement for the testing," McKnight said.

He was careful not to rule out Canadian involvement in the proposed missile project.

The question of proceeding with the missiles' development and deployment was to be a key issue at today's NATO meeting. American sources said, however, it had been deferred to avoid a confrontation with dissenting NATO members.

The session has been called to consider how the alliance should adjust its nuclear policies in the wake of dramatic changes in Eastern Europe since last year.

Differences have emerged within the alliance over the TASM question and could lead to a repeat of last year's bitter dispute over modernization of short-range ground-based missiles, known as Lances.

TASM Undermines Arms Control

52200023 Ottawa *THE OTTAWA CITIZEN* in English
10 May 90 p A8

[Text] The meeting of NATO defence ministers in Alberta this week was billed as a major event in the evolution of the alliance's nuclear strategy. It's turning out to be little more than a revealing look at western governments' reluctance to tinker with the status quo.

American Secretary of Defence Dick Cheney launched his attack on innovative thinking at the start. NATO, he said on this way to the Kananaskis meeting, should not renounce the first use of nuclear weapons in a European conflict and the United States must maintain nuclear forces in Europe.

For 30 years, NATO strategists insisted they needed nuclear weapons to counter the superiority of Soviet conventional forces on the continent. Yet now that rough East-West parity is being realized through arms-control negotiations, Cheney is clinging to his nuclear arsenals. (He is spectacularly vague about what their new role will be other than to reassure those Europeans who still worry the U.S. will abandon them in a crisis.)

Cheney and his supporters are ignoring the reduced risk of a Soviet attack in the new political climate; the growing inability of the Soviets to launch a surprise conventional attack; and the possibility that NATO could actually end up with superiority in conventional forces if the East European countries expel Soviet troops from their territory as expected.

Finally, Cheney's allegiance to the old NATO order makes it difficult to envision other nuclear strategies for Europe. Couldn't the nuclear deterrent be fulfilled by the French and British nuclear forces, existing submarine-launched nuclear weapons, the nuclear hardware the U.S. has aimed at the Soviets from North America—or some combination of the above?

As disturbing as Cheney's first-strike musings is the U.S. determination to press for the development and eventual deployment in Europe of a tactical air-to-surface missile (TASM) with a range of 400 kilometres or more. The NATO defence ministers—recognizing the potential divisiveness of the issue—removed it from the first day's agenda. They should have nixed the idea completely.

The U.S. support for the TASM system sends the wrong message to the Soviets about western intentions.

Worse, the proposal undermines the whole notion of arms control. The American enthusiasm for air-launched missiles arises from the desire to find a replacement for the ground-based weapons that will be eliminated by the INF treaty and a proposed negotiation to reduce short-range nuclear forces.

It is not in Canada's interest to see arms-control negotiations become a merry-go-around where one type of nuclear weapon is eliminated only to be replaced by another. The TASM debate should not be about deploying a new weapon. It should be about initiating an arms control negotiation to halt the development and deployment of such weapons by both sides. And Canada should say so.

Strategy. What it's getting are more of the same old, stale ideas. [as printed]

FEDERAL REPUBLIC OF GERMANY

Plans for German Unification Reported

AU1106063090 Hamburg DER SPIEGEL in German
11 Jun 90 pp 18-22

[Unattributed report: "Everyone Will See: It Works"]

[Text] Between Monday night and Tuesday morning a joyful Hans-Dietrich Genscher called the chancellor in New York from Copenhagen: Everything works beautifully, the decisive "points of dispute" have been eliminated.

The Soviets, the foreign minister told Helmut Kohl, would, in the end, accept the membership of a united Germany in NATO—in a changed NATO, however. It will be possible to conclude the "two-plus-four" conference with success in September, the new Germany will then receive full sovereignty from the victorious powers.

The head of the Bonn Foreign Ministry had more good news: It is clear that Moscow wants to start moving on the German question and is not interested in hardening the fronts. Progress is faster than expected. Possibly, Mikhail Gorbachev wants to present the new attitude as soon as the CPSU Congress at the beginning of July.

Genscher's optimism is based on talks which he had with Soviet Foreign Minister Eduard Shevardnadze and U.S. counterpart James Baker at the CSCE human rights conference in Copenhagen, only a few days after the U.S.-Soviet summit.

Only recently Genscher was still skeptical about whether it will be possible this year to overcome the foreign policy difficulties before German unification: "It may work, it may not." Now he is speaking differently: "I think we will manage."

Even though Genscher is inclined to be purposefully optimistic, even though the resistance in the Western camp, in particular among the British, to a speedy fundamental change in NATO is still great, the former

blocs are unmistakably moving toward each other. Nevertheless, caution is necessary. There will probably be no "quick and simple solutions," U.S. President George Bush said last Friday.

Trying to preserve the Warsaw Pact, Mikhail Gorbachev pushed ahead with the transformation of the Eastern military alliance to a political community last week, and proposed joint Warsaw Pact-NATO institutions. In their communique the NATO foreign ministers, who met in Scotland, reached out "the hand" to the Soviet Union "for friendship and cooperation."

Helmut Kohl is feeling a tail wind. Now he wants to march through—toward all-German elections this winter.

After talks with his ruling party colleagues in East Berlin, the chancellor is certain that by autumn the GDR will declare its accession via Article 23 of the Basic Law. Last week it was said in the Chancellor's Office that a People's Chamber decision to this effect will come into force either immediately, or, more likely, on the day of the elections all over Germany. One of the first three Sundays in December was given as the date of the elections.

Kohl sees himself much closer to his goal of being able to unite the Germans as the second chancellor after Otto von Bismarck. Genscher's report on the success in Copenhagen confirmed the positive assessment, which the head of the Foreign Ministry had brought back from his meeting with Shevardnadze on 23 May. There the Soviet counterpart had made it understood that the "two-plus-four" conference could come to a good end and an all-German entity might be a NATO member—if essential conditions were fulfilled.

Moscow demanded clear security guarantees. NATO has to fundamentally change its character and find itself in a new security partnership with the Warsaw Pact. Border questions have to be settled once and for all. The German Army is to be reduced substantively, and the number of U.S. soldiers in Europe also has to be reduced further. The Soviet Union wants to be firmly integrated in a European security system via the CSCE, and the CSCE must be given permanent institutions—a secretariat, a center for settling conflicts, and a verification center for disarmament controls. In addition, regular conferences of the heads of state and governments and the responsible ministers are to be set down.

In Geneva, Shevardnadze also came out with another concern. Unofficially he told the Germans that the Soviet Union is in most severe economic difficulties, supplies to the population are deteriorating rapidly, the stocks of foreign currency are declining, inflation is rising, the international credit standing of the Soviet Union is severely damaged. The West must help as quickly as possible—and that to an extraordinary degree. About \$20 billion are necessary to avoid total collapse.

Bonn is willing to help "to an appropriate degree": According to one of Kohl's advisers, the FRG Government wants to take over securities for loans. In view of the enormous obligations in rebuilding the GDR, the FRG alone cannot ensure Gorbachev's survival in office. The United States and the EC must participate in the aid program to the USSR. The next EC summit and the international economic summit will signal serious willingness for massive support this summer, it was said.

Already two days after the Geneva meeting between Genscher and Shevardnadze, Kohl promised the Soviets that their conditions for German unity would be taken into account. In a speech at the disarmament conference of the Interparliamentary union, the Bonn chancellor promised that NATO would be "changed," that its military component will "increasingly lose importance," and the political role "will come more and more to the foreground." It is high time "to establish all-European institutions within the framework of the CSCE": summit meetings at two-year intervals, regular meetings between the foreign and defense ministers and the chiefs of general staff, centers for arms control verification and for preventing conflicts.

As "another pillar" of the all-European security structure, the chancellor stressed "economic cooperation"; "help for self-help" is the command of the hour in the transition from planned economy to market economy.

Clearly as never before Kohl also made definite statements on the Oder-Neisse question during his visit to the United States. He no longer said that he can only speak for the FRG and the final regulation has to be left to an all-German sovereign. He spoke like an all-German sovereign: "The border between Germany [printed in italics] and Poland remains inviolable."

In Kohl's office considerations about how concessions to Moscow's wishes can be further advanced for the benefit of unity have already made good progress. The first Vienna agreement on conventional disarmament in Europe will be concluded before the end of this year; "one is now pretty sure" of this. The United States will soon make further concessions, also concerning the so far disputed inclusion of combat equipment deployed on aircraft carriers into the negotiations.

More important, however, is the readiness to anchor prospects for further troop reductions in the agreement. The armed forces of a united Germany will be included in this: According to experts of the Chancellor's Office, their overall strength will be reduced in stages from 660,000 to 350,000; then to 300,000 or 280,000; and, in the end, to about 200,000 soldiers. Finally, only 100,000 U.S. soldiers are to be stationed in Europe; about half of them on German soil.

The long-term goal is, according to Kohl's officials, a nuclear-free Germany. Chances for this are not bad. The renunciation of the modernization of the "Lance" short-range missiles and the withdrawal of nuclear artillery are "practically done." The FRG Government will also not

permit the burden of any new discussions on nuclear weapons. The new stand-off weapons—nuclear missiles attached to aircraft with a range of about 400 km—which are planned by the United States "will not be permitted to enter our country." Nuclear protection with substrategic weapons can best be provided to the future Europe by the Americans from their ships.

At the special NATO summit at the beginning of July in London it is to become clear, at Bonn's wish, that—the end of the military strategy, which has been valid so far, is being introduced and that the planning for the nuclear escalation of a conflict is given up;

—nuclear weapons on German soil without option of use and purpose of deterrence will be obsolete in the future;

—nuclear weapons are no longer weapons to wage a war but can serve only as the ultimate threat for the most extreme case.

Bonn wants to set an independent signal this week. At the preliminary talks for the 1991 budget, the defense budget is to be reduced by five percent to about 52 billion in contrast to the medium-term financial planning, which amounted to 55 billion. According to the Chancellor's Office, compulsory military service will be reduced to 12 months next year.

On this basis, the chancellor has to again rewrite his schedule toward unity, even though not only the opposition but also the Christian Democratic Union [CDU] and the Free Democratic Party [FDP] are meanwhile complaining that Kohl considers unification his "private business."

The FDP, certainly an advocate of a quick pace, was startled last week when it learned from the newspapers that the CDU has fixed the date for the party congress for the fusion with its Eastern sister party as early as October. Genscher asked the liberals in East Berlin whether an agreement on an election date has already been made with De Maiziere.

In fact, Kohl, who had long planned all-German elections for next year or even the year after, has meanwhile booked the date for December. Only the specific conditions are still open.

Interior Minister Wolfgang Schaeuble has taken over directing the activities, and has already ordered the officials in his ministry to work out models for all cases.

One of the latest products—but by far not the last—from the interior minister's office: quasi all-German elections in two separate states.

While so far it seemed to be self-evident that the GDR would first declare its accession via Article 23 of the Basic Law and then an all-German parliament and government would be elected, the imaginative lawyers

turned the order around in line with the changed political requirements—a constitutionally unusual solution. How can voters from different states decide on the parliament of a new state?

Schaeuble's ministry employees have thought of another variety, which eliminates such concerns at least in part: If it does not work so quickly, then the GDR could declare its accession at least after the "two-plus-four" talks which are scheduled to take place in Moscow at the beginning of September. It is to come into force directly after the elections in December.

This version also contains separate elections. If accession came into force on election Sunday, after the closing of the polling stations, for instance, the opposition would no longer have any grave objections.

In addition, this solution offers further pleasant possibilities to the government: It can safeguard the survival of the German Social Union [DSU], the CSU's sister party in the GDR. Because if elections were held in the united Germany in line with a unified law, Wilhelm Ebeling's party, as well as other small groups, would certainly fail because of the five-percent clause. A party which only runs in the GDR would have to get more than 20 percent of the vote in order to get five percent all over Germany.

Separate elections, however, could save the DSU, if the GDR does not introduce a five-percent clause. This obstacle, De Maiziere told the chancellor, he cannot ask his small government partners and the leftist groups in the GDR to accept.

Schaeuble's planners have also already taken precautions for the day after the elections. Since the current cabinet cannot simply continue its work until a new all-German government is formed, the GDR is to delegate its own ministers for a brief transitional period.

In the cabinet of the united Germany the GDR will then be represented by five to six ministers, according to the current plan. Ex-Premier De Maiziere is to get a classic ministry, the Interior Ministry for instance, or to become Bundestag president. New ministries are also already being discussed, for the Bundesrat, Europe, Federal Railroads, foreign trade, national security, and culture.

One of the first tasks of a sovereign German government is to negotiate a treaty with the Soviets on the stationing of their troops in the GDR. This would eliminate the last remnants of occupation law.

The Soviet Army is to be withdrawn from German soil within three years, according to Bonn's wishes.

However, it will probably take much longer. GDR experts have calculated that for the transportation of 375,000 combat troops and their weapons about 70,000 railroad cars are necessary; another 50,000 railroad cars would be filled by the officers' families and their personal effects.

Enormous cargo space is also needed for the Soviets' stocks of ammunition, which are estimated at 3 to 4 million tonnes. Because of the limited railroad links between the Soviet Union and the GDR only a maximum of four trains could be cleared per work day. In addition, the Soviet Government does not know what to do with the masses of people and material.

For Kohl this is not a problem, either. In the chancellor's office there is talk of financing the building of new barracks in the Soviet Union. This would be cheaper in the end than to pay the costs of stationing in the GDR.

From the United States the chancellor announced cheerfully: "Everyone who now says in Bonn that this does not work and that does not work, will see: It works."

Stoltenberg on Current Military Issues

LD1306103490 Hamburg DPA in German 0648 GMT
13 Jun 90

[Excerpts] Fellbach (DPA)—After reunification there will be one all-German Army in a sovereign Germany. This was announced by Federal Defense Minister Gerhard Stoltenberg (Christian Democratic Union) at the conclusion of the 31st commander meeting in Fellbach near Stuttgart today. The formations in the GDR will be restructured as part of a comprehensive territorial organization. With this, Stoltenberg is contradicting his GDR counterpart Rainer Eppelmann (Democratic Awakening), who has so far been advocating two German armies. Stoltenberg also announced, without giving any details, that the period of military service will soon be shortened. Military experts expect the period to be shortened from the present 15 months to 12 months. [passage omitted]

After an agreement for the reduction of conventional arms has been reached in Vienna Allied forces in Germany will, after a transitional period, be greatly reduced, the Bundeswehr will be smaller in numbers and soon there will also be no more Soviet soldiers, Stoltenberg explained. The goal is to develop a concept of cooperative or at least coordinated security for the whole of Europe and eventually to lay it down in international law. The concept of a united Germany's NATO membership was "linked with the offer to the Soviet Union to underline and secure its important part in the whole of Europe by consistently strengthening the Conference for Security and Cooperation in Europe," Stoltenberg stressed.

The minister spoke in favour of establishing CSCE institutions, for instance, summit meetings of heads of state and government every two years, the creation of a European center for the prevention of conflicts, and setting up a permanent council of the delegation leaders at the venue of the latest CSCE follow-up meeting. The minister also supported regular meetings of foreign and defense ministers as well as of chiefs of staff. A center for the verification of arms control agreements will have to

be created. In addition, a modern communications system will have to be built among all 35 CSCE states.

According to Stoltenberg, the principle of forward defense will be replaced with a concept of defense on the border, which makes it possible to react appropriately to any form of military risk. In future the nuclear forces would be there not so much to deter a concrete enemy, but to secure and stabilize a system of mutual security in Europe based on agreements. Nuclear artillery and land-based short-range nuclear weapons will be discarded. The EC will, besides NATO and the CSCE, be one of the columns of a new order.

ITALY

De Michelis, Martinazzoli on CSCE, CFE Policy

AU1506104990 Rome ANSA in English 0819 GMT
15 Jun 90

[Text] Rome, 15 June (ANSA)—Italy intends to "concretely take part" in work from July to September on proposals to submit to the upcoming summit of the Conference on Security and Cooperation in Europe in Paris which should produce a blueprint for the Europe of the future no longer partitioned by opposing blocs.

Speaking to a joint meeting of the Senate and Lower House Foreign Affairs Committees Thursday, Foreign Minister Gianni De Michelis said for this purpose, Premier Giulio Andreotti is drafting a document for the meeting of NATO heads of state and government in London 5 and 6 July which is expected to help lay the groundwork for the CSCE summit.

On the issue of German reunification, the foreign minister said he was convinced that "if the West does its own part, the prospects of finding points of agreement with the Soviet Union will be very good."

De Michelis also said the conventional forces in Europe talks in Vienna should make substantial progress once the Soviets have received responses which reassure them as regards the position of a united Germany in the future strategic balance.

Defense Minister Mino Martinazzoli laid emphasis on NATO's work in redefining its own role in the future international picture "for the gradual construction of a single security system for all the countries taking part in the CSCE," of which the Atlantic alliance should be "the cornerstone."

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DATE FILMED

16 July 1990